



1. Constitution

1.1 In terms of the company's memorandum of incorporation -

1.1.1 There shall be not less than eight directors [article 5.1 (1)].

1.1.2 Additional appointments to the board may be made by the directors, provided such appointments are confirmed at the following annual general meeting or other shareholders meeting (AGM) [article 5.1 (5)].

1.1.3 At each AGM, not less than one-third of the directors must retire, being those directors longest in office since their appointment or last re-election and may, if available, be proposed for re-election [article 5.1(8)].

1.1.4 The chairman is elected by the directors [article 5.3 (1)].

1.2 The board shall be unitary in nature, balanced between executive and non-executive / independent directors. The objective being that there should be a majority of non-executive directors.

1.3 The board shall have the authority to remove any director from the board.

1.4 The composition of the board, including its size, diversity, demographics and continuity, retirements and appointments of additional and replacement directors, including the appointment of the chief executive officer, shall be considered by the Nomination committee, which shall make appropriate recommendations and nominations to the board.

1.5 Non-executive directors shall be chosen for their business acumen and skills pertinent to the business of the Company (which for purposes of this charter shall embrace the Grindrod group) and shall meet regulatory and good corporate governance criteria.

1.6 There shall be a sufficient number of directors with appropriate proficiencies to ensure that the board is able to carry out its duties and there should be an appropriate balance of

skills.

- 1.7 The board should ensure that there is an appropriate balance of power and authority on the board, such that no single individual nor group of individuals can dominate the board.
- 1.8 The roles of the chairman and the chief executive officer shall be separate and the chairman shall be a non-executive director.
- 1.9 Executive directors must retire in that capacity by no later than the age of 63 years or such later date as determined by the board, but may be requested to remain on the board in a non-executive capacity. Non-executive directors must retire by no later than the age of 70 years or such later date as determined by the board.
- 1.10 The board should establish an induction programme to familiarize incoming directors with the company's operations, its business environment and the sustainability issues relevant to its business. It should also introduce them to members of senior management and their respective duties and responsibilities.

2. Meetings

- 2.1 Four regular meetings of the board shall be held each year. Additional meetings may be held as and when necessary.
- 2.2 Whilst the quorum for a meeting of directors is eight [Section 73 (5) Companies Act 71 of 2008], the dates of meetings shall be set in advance so as to aim for full attendance.
- 2.3 Agendas for the board meetings will be set by the company secretary in consultation with the chief executive officer and the chairman in terms of the approved annual work plan. Board members may request that specific matters be placed on the agenda.
- 2.4 Board papers will be timeously delivered to members so as to ensure that they are able to be properly briefed prior to the meeting.
- 2.5 Comprehensive minutes of all board and committee meetings shall be kept.
- 2.6 Decisions required to be taken between meetings may be attended by passing a resolution signed by the directors (article 5.3 (2)).

3. Responsibilities

3.1 Leadership

The board should exercise leadership, enterprise, integrity and judgement in directing the company so as to achieve its group strategy as set out in the business plan, in a manner based on accountability and responsibility.

3.2 Strategy

The board shall approve the strategic direction of the company, as embodied in the business plan and should approve the long-term strategies for the business of the company and monitor their implementation by management.

3.3 Ethics

3.3.1 The board should ensure that the ethical standards guiding the company's relationships and interactions with internal and external stakeholders are clearly identified.

3.3.2 The board should ensure that the company's ethics performance is assessed, monitored, reported and disclosed.

3.3.3 The board should ensure that the company's ethics risks are assessed.

3.3.4 The board should ensure that the company's ethical standards (as stated in the code of ethics and related policies) are integrated into all the company's strategies and operations.

3.4 Control

3.4.1 The board is ultimately responsible for ensuring that the business is a going concern and to this end must effectively control the Company and its management and be involved in all decisions that are material for this purpose.

3.4.2 The board must retain full and effective control of the company and shall consider and approve annually the company's business plan, its operating and capital budgets and its performance criteria.

- 3.4.3 The board should give consideration to and approve, subject to any regulatory requirements, all material investments and acquisitions and disposals of business activities or property of the company in line with the Group Limits of Authority.
- 3.4.4 The board should define and monitor levels of materiality, reserving specific power to itself and delegating other matters with the appropriate written authority to board committees and/or management as set out in the Group Limits of Authority.
- 3.4.5 Board committees established by the board comprise:
- 3.4.5.1 Remuneration committee;
 - 3.4.5.2 Nomination committee;
 - 3.4.5.3 Social and ethics committee; and
 - 3.4.5.5 Risk committee.

The board is responsible for determining and amending as may be necessary, the terms of reference and appointing the members and chairmen of such committees;

3.4.6 Audit committee

In terms of the Companies Act the audit committee members are appointed by shareholders at general meeting.

- 3.4.7 The board should be satisfied that appropriate policies, procedures and practices are in place and are duly observed, so as to protect the company's assets, employees and reputation.
- 3.4.8 The board is responsible for information technology (IT) (including IT governance in line with the guidelines as set out in King III) in the group and should delegate the responsibility of this role to the Group CIO via the Grindrod IT charter.
- 3.4.9 The board should be satisfied that information technology and systems used in the company are appropriate to its business needs.

3.4.10 The board should identify and monitor the non-financial issues relevant to the business of the company including sustainability and ESG issues and more specifically that such non-financial issues are integrated into the group strategy to ensure the sustainability of the company.

3.4.11 The board shall ensure that the company maintains and develops good corporate governance standards, with due consideration to striking an appropriate balance between performance and conformance.

3.4.12 The board should be satisfied that its information needs are fully and timeously satisfied.

3.4.13 The board also recognises the executive committee and delegates to it a number of authorities and functions. The executive committee is chaired by the chief executive officer and consists of all the executive directors of the company, together with such other members of group senior management as is determined by the executive committee.

3.5 Risk management

3.5.1 The board must identify and monitor the company's key risk areas and key performance indicators, and in this regard, ensure that the company's risk philosophy, strategies and policies are appropriate to the business and that there is due compliance with all risk related policies, procedures and standards;

3.5.2 With the guidance of the audit and the risk committees, the board should satisfy itself that:

- a) internal controls, both operational and financial, are effectively maintained and, where necessary, reviewed;
- b) the board should ensure that there is an effective risk based internal audit;

3.5.3 The board should determine the levels of risk tolerance;

3.5.4 The board should ensure that management considers and implements appropriate

risk responses;

3.5.5 The board should ensure continual risk monitoring by management and should receive assurance regarding the effectiveness of the risk management process;

3.5.6 The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders;

3.6 Performance

3.6.1 The board should satisfy itself with regard to its performance and effectiveness as a whole, that of its committees;

3.6.2 The board shall monitor management in implementing the company's business plan and in operating against approved budgets and performance criteria;

3.6.3 The board shall review its operations in terms of this charter at least once a year;

3.7 Compliance

The board shall prescribe measures aimed at ensuring that the company complies with all relevant laws, regulations and codes of business practice;

3.8 The board shall:

3.8.1 a) The board shall be responsible for the preparation and integrity of the company's annual financial statements and the integrated results and shall ensure that the disclosures contained in the annual integrated report are both adequate and meet regulatory requirements;

b) In approving the annual financial statements, the board should record the relevant facts and assumptions on which it relies to conclude that the business will continue as a going concern in the financial year ahead;

3.8.2 The board shall:

a) approve the company's interim reports and dividend announcements;

- b) determine and declare dividends payable to ordinary and preference shareholders and approve the forfeiture of unclaimed dividends;
- c) ensure that management proactively deals with stakeholder relationships;

3.9 Management

With the guidance of the remuneration committee, the board should satisfy itself that:

- a) succession planning is undertaken, particularly in respect of the chief executive officer and members of the executive committee;
- b) the broad remuneration strategy of the company is appropriate to the business;
- c) remuneration levels of the executive directors and senior management are appropriately determined, with due consideration to appropriate short and long-term performance related rewards;

3.10 Communication

The board should ensure that there is effective communication with the company's shareholders and its internal and external stakeholders, including employees, customers, suppliers, media, bankers and partners.

3.11 Interests

As legally required, members of the board should make full and timely disclosures of their other business interests and particularly those that conflict or might conflict with those of the company.