

<b>Revision No:</b> 02 <b>Issue Date:</b> November 2013 <b>Last Review Date:</b> November 2015	<b>Author:</b> CI Lewis	<b>Review and recommend for approval:</b> Remuneration Committee	<b>Approval:</b> Grindrod Board	Page 1 of 8
--	----------------------------	---	------------------------------------	-------------



(Registration Number: 1966/009846/06)

**REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**

**1. Definitions**

Unless the context indicated otherwise, the following words, terms of expressions shall have the meanings to them hereunder;

- 1.1 “**Board**” means the board of directors of the Company;
- 1.2 “**Board Charter**” means the Grindrod Limited Board charter approved on 30 May 2012 by the Grindrod Limited Board of Directors, and as may be amended from time to time.
- 1.3 “**Chairman**” means the chairman of the Remuneration Committee appointed by the Board;
- 1.4 “**Committee**” means the Remuneration Committee of the Company;
- 1.5 “**Companies Act**” means the Companies Act No 71 of 2008, as amended from time to time;
- 1.6 “**Company**” means Grindrod Limited (Registration Number 1966/009846/06), including its subsidiaries;
- 1.7 “**Directors**” means directors of the Company from time to time;
- 1.8 “**Executive members**” means members of the Executive Committee not appointed to the Board.
- 1.9 “**JSE Listings Requirements**” means the requirements issued by the JSE Limited regulating all listed entities, as amended from time to time;
- 1.10 “**King III**” means the King Report on Governance for South Africa 2009;
- 1.11 “**Members**” mean the initial persons appointed as members of the Committee as well as any persons succeeding them in terms of these Terms of Reference;

<b>Revision No:</b> 02 <b>Issue Date:</b> November 2013 <b>Last Review Date:</b> November 2015	<b>Author:</b> CI Lewis	<b>Review and recommend for approval:</b> Remuneration Committee	<b>Approval:</b> Grindrod Board	Page 2 of 8
--	----------------------------	---	------------------------------------	-------------

1.12 “MOI” means Memorandum of Incorporation of the Company.

## **2. Introduction**

- 2.1. The Remuneration Committee is constituted as a standing committee of the Board, in terms of section 72 of the Companies Act and section 3.84(d) of the JSE Listings Requirements. It has an independent and monitoring role, advisory in nature and a maker of recommendations relating to all remuneration matters for consideration and final approval.
- 2.2 Principle 2.23 of King III states that the board should delegate certain functions to well-structured committees without abdicating its own responsibilities.
- 2.3 These terms of reference are subject to the provisions of the Companies Act, the Company’s MoI and Board Charter and any other applicable law or regulatory provision.
- 2.4 The Committee does not assume the functions of management, which remain the responsibility of the Executive Directors, officers and other senior management members.

## **3. Appointment and Composition**

- 3.1 Members are appointed by the Board from amongst the Directors of the Company from time to time and shall consist of not less than (3) members, the majority of whom must be non-executive. In deliberating on the appointment of Members, the Board should give due consideration to the ideal combination of skills required to fulfil the functions of the Committee.
- 3.2 The Board shall appoint the Chairman of the Committee who shall be a non-executive director.
- 3.3 The Chairman of the Board shall not be eligible for appointment as Chairman of this Committee, but shall be a member of the Committee.
- 3.4 If at any meeting of the Committee the Chairman is absent, the remaining members present shall elect one of the members to chair that specific meeting.

<b>Revision No:</b> 02 <b>Issue Date:</b> November 2013 <b>Last Review Date:</b> November 2015	<b>Author:</b> CI Lewis	<b>Review and recommend for approval:</b> Remuneration Committee	<b>Approval:</b> Grindrod Board	Page 3 of 8
--	----------------------------	---	------------------------------------	-------------

<b>Revision No:</b> 02 <b>Issue Date:</b> November 2013 <b>Last Review Date:</b> November 2015	<b>Author:</b> CI Lewis	<b>Review and recommend for approval:</b> Remuneration Committee	<b>Approval:</b> Grindrod Board	Page 4 of 8
--	----------------------------	---	------------------------------------	-------------

#### 4. **Ineligibility and disqualification of members**

A person is ineligible or disqualified to become a member of the Committee if such a person is ineligible or disqualified in terms of Section 69 of the Companies Act; and if such person is not a director of the Company and who does not comply with the minimum qualification requirements as may be prescribed by the Minister from time to time.

#### 5. **Minutes of the meeting**

5.1 Written minutes of all meetings shall be taken, circulated to the members for correctness and signed by Chairman as a correct reflection of the proceedings at the meeting.

5.2 A minute book and register of all resolutions of the Committee shall be maintained.

#### 6. **Mandate and responsibilities**

The Committee has the following responsibilities:

##### 6.1. Practice and Procedure

6.1.1 Review remuneration policy that will promote the achievement of the strategic objectives of the Company and encourage individual performance.

6.1.2 Monitor the outcomes of the implementation of the remuneration policy to measure whether the objectives that were set have been achieved.

##### 6.2 Remuneration/Incentive/Benefits

6.2.1 The Committee is responsible for monitoring the Company's general policy on remuneration and providing advice to the Board on the remuneration of Non-Executive Directors, Executive Directors and Executive Committee members.

6.2.2 The Committee is responsible for monitoring the specific remuneration packages for Executive Directors and Executive members of the Company, including but not limited to, basic salary, performance based short-term and long term incentives, pensions and provident funds,

<b>Revision No:</b> 02 <b>Issue Date:</b> November 2013 <b>Last Review Date:</b> November 2015	<b>Author:</b> CI Lewis	<b>Review and recommend for approval:</b> Remuneration Committee	<b>Approval:</b> Grindrod Board	Page 5 of 8
--	----------------------------	---	------------------------------------	-------------

medical aid and other benefits. Recommendations in this regard are made after giving due regard to the interests of the shareholders, to the financial and commercial health of the Company and market related schemes.

6.2.3 Ensure that the mix of fixed and variable pay in cash, shares and other elements meets the company's needs and is in line with the Company's strategic objectives.

6.2.4 The committee must satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives.

6.2.5 The Committee is responsible for monitoring long term incentives and the allocation of shares and rights in terms thereof.

6.2.6 The Committee is responsible for monitoring salary adjustments for employees outside the bargaining unit, the Profit Share Incentive Scheme for all employees and the staff retention strategy policy.

6.2.7 The Committee shall approve any amendments to the rules of retirement benefit arrangements affecting the Company's contribution thereto.

### 6.3 Performance Evaluation

6.3.1 Consider the results of the evaluation of the performance of the CEO and other Executive Directors and Executive members both as Directors and as Executives in determining their respective remunerations.

6.3.2 Consider the annual performance evaluations done by all sub-board committees, as well as the Board members.

6.3.3 Monitor the selection of appropriate comparative groups when comparing remuneration levels.

6.3.4 Regularly review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules.

6.3.5 Consider the appropriateness of early vesting of share-based schemes at the end of employment.

6.3.6 Monitor the criteria against which the performance of the Executive directors are evaluated in discharging their functions and responsibilities

<b>Revision No:</b> 02 <b>Issue Date:</b> November 2013 <b>Last Review Date:</b> November 2015	<b>Author:</b> CI Lewis	<b>Review and recommend for approval:</b> Remuneration Committee	<b>Approval:</b> Grindrod Board	Page 6 of 8
--	----------------------------	---	------------------------------------	-------------

#### 6.4 Annual Integrated Report

6.4.1 Oversee the preparation and recommendation to the Board of the remuneration report to be included in the Integrated Annual Report and ensure that it is accurate, complete and transparent, provides a clear explanation of how the remuneration policy has been implemented and provides sufficient forward looking information for the shareholders to pass a special resolution in term of the Companies Act.

#### 6.5 Fees for Non-Executive Directors

6.5.1 The Committee shall be responsible for making recommendations to the Board on all fees payable by the Company to non-executive directors for membership of both Board and any Board sub-committees including additional fees to the Chairman of the Board and Chairman of Board sub-committees, taking all relevant factors into account; provided no member of the Committee shall participate in the decision-making of the Board in respect of his/her own remuneration.

6.5.2 The Committee should review the performance of and the fees payable to all non-executive directors on a regular basis (at least annually).

6.5.3 The Committee shall determine the frequency of payment of the fees (e.g. quarterly).

#### 6.6 Voting

Ensure that the remuneration policy is put to a non-binding advisory vote at the general meeting of shareholders annually.

### 7. Attendance at annual general meetings

The Chairman of the Committee or in his/her absence any one other member of the Committee shall be in attendance at the annual general meeting of the Company and shall respond to any questions relating to the work of the Committee.

### 8. Meeting procedures

#### 8.1 Frequency

<b>Revision No:</b> 02 <b>Issue Date:</b> November 2013 <b>Last Review Date:</b> November 2015	<b>Author:</b> CI Lewis	<b>Review and recommend for approval:</b> Remuneration Committee	<b>Approval:</b> Grindrod Board	Page 7 of 8
--	----------------------------	---	------------------------------------	-------------

8.1.1 The Committee shall meet at least three (3) times a year. Further meetings may be called by the Chairman of the Committee, the Group Chief Executive Officer or other members of the Committee or by the Board, and shall be governed by the provisions of the Company's Mol relating to meeting procedures.

8.2 Quorum

8.2.1 A quorum for a meeting of the Committee shall be two members present personally and no business shall be transacted at a meeting of the Committee unless the requisite quorum is present.

8.2.2 A resolution pursuant to achieving the objectives contained herein, and signed by all the members (unanimous resolution) shall be as effective for all purposes as if it had been passed at a meeting of the Committee duly convened, held and constituted.

8.2.3 The Group Chief Executive Officer, and relevant senior management where relevant, shall be invited to attend the meetings. No attendees shall have a vote at the meetings of the committee. Any invited attendees may be requested to recuse themselves from certain discussions.

**9. General**

9.1 The Committee shall on an annual basis:

9.1.1 Review its performance in the form of an evaluation by the Chairman of the Committee, and members will in turn evaluate the Chairman.

9.1.2 Review its Terms of Reference to ensure optimal effectiveness and to recommend any changes it considers necessary to the Board for approval.

9.1.3 Review and approve its Annual Work Plan.

<b>Revision No:</b> 02 <b>Issue Date:</b> November 2013 <b>Last Review Date:</b> November 2015	<b>Author:</b> CI Lewis	<b>Review and recommend for approval:</b> Remuneration Committee	<b>Approval:</b> Grindrod Board	Page 8 of 8
--	----------------------------	---	------------------------------------	-------------

9.2 Any Non-Executive Director may, provided there is no conflict of interest and with the consent of the Chairman of the Committee have access to the Committees records.

9.3 No Committee attendee shall participate in any decision regarding their own remuneration.

**10. Repeal of previous Terms of Reference**

These Terms of Reference shall revoke and supersede the current Terms of Reference in its totality from the date of its approval of the Committee.