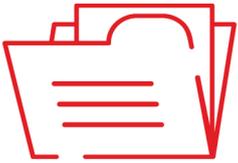




GRINDROD//Policy Gifts





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1 Introduction

Exchanging of gifts has historically been employed to foster good relations between business partners. However, when gifts or favours are used to influence objectivity, Grindrod's commitment to its Code of Ethics becomes compromised. The purpose of this policy is to define the limited circumstances and extent under which gifts may be offered or received in order to preserve Grindrod's reputation and Integrity.

2 Scope

All Grindrod stakeholders are required to adhere to this policy. For the purposes of this policy, a Grindrod stakeholder shall mean any director, employee, shareholder, agent, intermediary, supplier and/or client of Grindrod Limited or any of its subsidiaries ("Grindrod" or "Group"). The definition of the term "stakeholder" shall, for the purposes of this Policy, extend to the family members of the relevant stakeholder.

Any failure by a stakeholder to abide by this policy in all interactions with and on behalf of Grindrod, shall result in disciplinary action against the individuals involved and a review of the decision made or transaction concluded as a result of the impropriety.

Grindrod requires the representatives of its business partners, such as joint ventures in which Grindrod has an interest, to at least conform to the basic principle underlying this policy: namely that our business dealings shall not be influenced by the exchange of gifts or favours.

3 Rules for responsible giving and receiving of gifts

The irresponsible giving and receiving of gifts or favours gives rise to a conflict of interest that could also result in damage to Grindrod's reputation. Even if the intention behind the exchange of the gift is not to corrupt, there is a risk that the act may be perceived by a third party as an attempt to gain an improper advantage.

To prevent actual or perceived impropriety, the following rules apply:

3.1

No stakeholder may solicit or accept any item of value, including money, in return for an action or omission, nor act in a manner that could reasonably be perceived as creating an obligation to perform such an action or omission. Such conduct constitutes bribery and amounts to a breach of Grindrod's Anti-Corruption Policy;

3.2

No stakeholder shall give or receive gifts with the purpose of inappropriately influencing people or of acquiring a benefit that could be considered unfair. (Refer to Anti-Corruption Policy for further information);

3.3

No stakeholder may give or receive cash gifts of any value;

3.4

No stakeholder may give or receive gifts, of any value, that are unlawful, indecent, contrary to any Grindrod Policy, contrary to the Code of Ethics and Grindrod's Core Values or otherwise damaging to Grindrod's reputation; and

3.5

All stakeholders must declare all gifts given or received with a commercial value above R5 000.00 (five thousand Rand) in the Grindrod Gifts Register.

4 Exceptional circumstances when gifts may be offered or received

Grindrod recognises that in the following instances, the giving or receiving of gifts is appropriate provided the correct internal procedure has been followed and full disclosure has been made:

4.1

Appropriately modest gifts (not cash) may be offered or accepted provided there is no expectation or obligation (perceived or actual) to do something in exchange. Stakeholders are encouraged to seek guidance from a line manager, a Grindrod Senior Manager or Executive or the Ethics Officer before offering or accepting the said gift;

4.2

Gifting and receiving of promotional branded products of minimal value such as stationery, does not require prior approval;





4.3

Hospitality such as modest meals and refreshments at legitimate business meetings or business trips usually do not require prior approval provided the value is below the threshold of R5 000.00; and

4.4

A gift in the form of a prize based solely on the competitive merit-based performance of the recipient or because of blind chance (such as in a lucky draw with even odds applicable to all participants) will usually not fall foul of this Policy. If there is any doubt, guidance must be sought from the Ethics Officer.

5

Declaration of permissible gifts

Stakeholders are obliged to declare all permissible gifts accepted or given and/or entertainment received or provided, that exceed the equivalent value of R5 000.00. Gifts below R5 000.00 do not need to be declared, but the would-be recipient or giver must first consider the intention behind the giving/receiving of the gift as well as the appropriateness of the timing and frequency before deciding to accept or give a gift. In the event of gifts of a lesser value from or to a particular party on a cumulative basis in any six (6) month period exceeding R5 000.00, then in such a case a declaration is also required.

Gifts must be declared in the Grindrod Gifts Register which is accessible on the internal network on the link: [http:// giftregister.grindrod.net](http://giftregister.grindrod.net). The Grindrod Ethics Officer is the custodian of the Grindrod Gifts Register.

The Ethics Officer may also be contacted for confidential advice on the responsible giving and receiving of gifts. The current Grindrod Ethics Officer is Cathie Lewis and she may be contacted on the details that appear in the subsequent paragraph.

6

Reporting solicitations and offers to give or receive impermissible gifts

Grindrod has publically declared its commitment to combatting bribery and all other forms of corruption. If any stakeholder is suspected of directly or indirectly soliciting or offering to give an impermissible gift, with the intention of receiving something in return, such conduct must be immediately reported so that appropriate measures can be taken.

Both confidential and anonymous whistle-blowing options are available and are aimed at ensuring safe reporting. Safety is a concern because those who stand to benefit from misconduct such as bribery, may attempt to retaliate against or victimise a whistle-blower for loss or potential loss of that ill-acquired benefit.

However, importantly:

- Such adverse consequences can only materialise if the identity of the whistle-blower is known through a breach of confidentiality; and
- An anonymous whistle-blower cannot be victimised, provided that the whistle-blower also protects his/her own anonymity.

In addition to the assurance given by Grindrod that it would set up the necessary internal systems and procedures to protect confidentiality, South African legislation protects those who disclose misconduct by blowing the whistle.

Where a confidential disclosure is made in good faith and reasonably believed to be true, a reporter will not be victimised or disadvantaged in any way by Grindrod should the disclosure turn out to be misguided or false. However, reporting in no way immunises or shields a whistle-blower against action following from his or her intentional misconduct.

Stakeholders are encouraged to report any suspicion of or actual violations of this Gifts Policy in one of the following ways:

- Reporting to a line manager, Grindrod Senior Manager or Executive; or
- Reporting to the Ethics Officer by contacting Cathie Lewis on (031) 365 9116 or via e-mail cathie.lewis@grindrod.com and/or
- Reporting via the independently operated and anonymous Tip Offs helpline (0800 213 118 or grindrodetics@tip-offs.com or via the website www.tip-offs.com).

7

Conclusion

Compliance with this Gifts Policy shall help ensure that Grindrod upholds the core values enshrined in the Code of Ethics and in particular, the value of Integrity which is critical to Grindrod's reputation and success. Stakeholders are therefore urged to fully co-operate in ensuring the continued effective monitoring, maintenance, relevance of and compliance with this policy.

