



Grindrod Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1966/009846/06)
Ordinary Share code: GND and ISIN: ZAE000072328
Preference Share code: GNPD and ISIN ZAE000071106
("Grindrod" or "the Company")

SUMMARY COMPARISON OF CERTAIN NASDAQ AND JSE LISTINGS REQUIREMENTS

Capitalised words and expressions used in this document shall, unless expressly defined herein or indicated otherwise by the context, bear the meanings given to them in the Circular.

Shareholders are referred to the Notice of General Meeting, posted on Monday, 7 May 2018 detailing, *inter alia*, the terms of Ordinary Resolution 2 proposing the primary listing of Grindrod Shipping Ordinary Shares on NASDAQ and their secondary inward listing on the main board of the JSE, which they are requested to consider and, if deemed fit, approve.

As outlined in paragraph 3 of the Circular, posted on 7 May 2018, the Company committed to providing a comparison of certain requirements of NASDAQ and the JSE which is hereby provided below. The below sets forth a comparison of certain of the listing requirements for primary listings on the NASDAQ (as they relate to foreign private issuers such as Grindrod Shipping) and the JSE. Given that the listing on the JSE is a secondary inward listing, Grindrod Shipping will not be subject to all of the JSE listings requirements set out in this summary. Grindrod Shipping will comply with the continuing obligations as set out in section 18.19 of the JSE Listings Requirements. This comparison information is in summary form only and does not contain the details of all of the differences between the NASDAQ and JSE requirements for primary listings, nor all of the listing requirements of either exchange. To the extent that NASDAQ requirements defer to other regulations applicable to Grindrod Shipping, as a foreign private issuer incorporated in Singapore, certain summary information is provided as to the applicable laws and compliance by Grindrod Shipping.

EXCHANGE REGULATOR

NASDAQ

As a US national securities exchange, NASDAQ is considered a self-regulatory organization ("**SRO**") under the US securities law framework. The SEC is vested with general oversight of SROs and has established the requirements for the rules and process that SROs must adopt. Among other things, under these rules SROs, including NASDAQ, are required to file any proposed new rule or rule change with the SEC and, in most cases, obtain SEC approval before a new rule becomes effective. The SEC also has the authority to review NASDAQ's disciplinary actions and to, from time to time, inspect and examine NASDAQ generally. The SEC is further empowered to investigate and bring disciplinary actions against NASDAQ and its employees for violations of US securities laws.

JSE

The JSE Limited is the lead regulator for the exchange, setting and enforcing listing and membership requirements as well as trading rules. The Financial Services Board supervises the JSE in the performance of its regulatory rights and duties, which are derived from statute, through the Financial Markets Act. The JSE is empowered by the Financial Markets Act to investigate possible breaches of the JSE Listings Requirements and, depending on the outcome of such investigation, may undertake disciplinary and/or remedial action in respect of the listed company or its directors, whether individually or jointly. Such action may include private or public censure, the imposing of a fine and the suspension or delisting of a company.

SUSPENSION / TERMINATION OF LISTING

NASDAQ

The SEC is generally empowered to suspend trading in any stock for up to ten business days when it is of the opinion that a suspension is required to protect investors and the public interest due to considerations such as a lack of adequate information about the company,

questions about the accuracy of publicly available information, or questions regarding trading by insiders, potential market manipulation or the ability to clear and settle transactions in the stock.

NASDAQ may also halt trading (usually for a few hours or a day) in circumstances it deems necessary to protect investors and the public interest, including, among other things, (1) in relation to market-related considerations such as high-impact events (such as natural disasters or significant market disruptions) or the misuse or malfunction of electronic quotation/execution systems, and (2) in relation to company-specific considerations such as material news about the company, extraordinary market activity relating to a particular stock, an imbalance of orders to buy and sell or the company's ability to meet NASDAQ listing qualifications. NASDAQ may further suspend trading in a company's securities for a longer period in the event of a determination to commence procedures to terminate such company's listing (as described below) unless the company makes a timely request for review of such delisting determination.

Termination of a listing may occur for various reasons, among which are quantitative listing standard deficiencies (i.e. failure to meet NASDAQ's financial, liquidity and spread requirements for listed companies), corporate governance deficiencies, the NASDAQ staff's determining that a company's continued listing raises a public concern, a company's failure to timely file periodic reports with the SEC or other reasons in NASDAQ's discretion.)

JSE

Suspension of securities may be initiated either by the JSE or by the listed company. In either circumstance, the listed company must continue to comply with the JSE Listings Requirements and must keep the JSE informed as to its affairs.

Subject to the provisions of the Financial Markets Act, the JSE may suspend the listing of a company's securities and impose appropriate conditions to the lifting of the suspension when (i) it considers that the suspension will further the objects of the Financial Markets Act (such as public interest) or (ii) the listed company has failed to comply with the JSE Listings Requirements and the JSE believes that suspension would be in the public interest. In addition, the JSE may suspend a listing when there are two levels of information in the market and the situation has not been timeously remedied by the listed company's directors. Suspension in this circumstance is usually for a short period (hours/days) and is lifted once the situation has been remedied.

When a company's listing is under threat of suspension, the affected company may make written representations to the JSE, motivating against suspension, prior to the JSE making a final decision as to the suspension. If a listing is suspended and the affected company fails to take adequate action to enable the JSE to reinstate the listing within a reasonable period of time, the JSE may remove the listing.

A listed company may itself request suspension in certain circumstances, such as where the listed company is placed under provisional liquidation or in business rescue proceedings or where there are two levels of information in the market and the situation cannot immediately be remedied by the publication of a clarification announcement.

ISSUANCE / REPURCHASE OF SHARES

NASDAQ

In general, with respect to issuing new shares, all offers and sales of securities in the US must be registered with the SEC, or must qualify for an exemption from such registration requirements. The registration of securities in the US typically requires specified disclosure, which is filed with the SEC and publicly available through the SEC's website.

As Grindrod Shipping is a foreign private issuer, it is permitted to defer to its home country's regulations in terms of share issuances and repurchases in lieu of complying with the applicable NASDAQ regulations. Accordingly, under Chapter 50 of the Singapore Companies Act or any statutory modification, amendment or re-enactment thereof ("**Singapore Companies Act**"), shareholders' approval is required to authorise the directors to issue shares. There is no limit prescribed under the Singapore Companies Act as to the number of shares that may be issued, however shareholders' approval may be confined to a particular amount. In respect of share repurchases, shareholders' approval is required for repurchases of ordinary shares by the company. The total number of ordinary shares that may be acquired in a specified period may not exceed 20% of the total number of ordinary shares in that class as of the date of the resolution approving the share buyback mandate.

JSE

The JSE Listings Requirements facilitate the issue of new shares either by way of general authority or specific authority obtained from shareholders in general meeting (without voting restrictions in the case of a general authority and excluding the vote of shareholders participating in the issue in the case of a specific authority). Issues effected under general authority are restricted by the JSE Listings Requirements as to the number of shares issued/percentage of the listed company's issued share capital represented by the issue (no more than 20%), the party to whom the shares may be issued and the price or maximum discount at which the securities may be issued. Issues effected under specific authority are not subject to such restrictions, but require the preparation of a fairness opinion where the issue is effected at a discount to a related party to the company.

The JSE Listings Requirements facilitate the repurchase of shares either by way of general authority or specific authority obtained from shareholders in general meeting (without voting restrictions in the case of a general authority and excluding the vote of shareholders participating in the repurchase in the case of a specific authority). Repurchases effected under general authority are restricted by the JSE Listings Requirements as to the number of shares repurchased/percentage of the listed company's issued share

capital represented by the repurchase, the party from whom the shares may be repurchased (repurchases must be effected through the JSE's trading system and without prior arrangement with the counterparty) and the price or maximum premium at which the securities may be repurchased. Repurchases effected under specific authority are not subject to such restrictions, but require the preparation of a fairness opinion where the repurchase is effected at a premium from a related party to the company.

DISCLOSURE REQUIREMENTS FOR CERTAIN ACQUISITION AND DISPOSAL TRANSACTIONS

NASDAQ

Under SEC rules, foreign private issuers are required to submit current reports to the SEC on Form 6-K with respect to all material information that an issuer (1) makes or is required to make public pursuant to the law of the jurisdiction of its domicile or in which it is incorporated or organized; (2) files or is required to file with a stock exchange on which its securities are traded and which was made public by that exchange; or (3) distributes or is required to distribute to its security holders. In addition, a NASDAQ-listed foreign private issuer shall make prompt disclosure to the public through a press release or similar method of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. Form 6-Ks must be filed "promptly".

JSE

The disclosures required for transactions entered into by a listed company are determined with reference to the categorisation of the transaction in terms of the JSE Listings Requirements. Categorisation measures either the transaction consideration/value against the listed company's market capitalisation or the dilution to existing shareholders by measuring the consideration shares issued against listed company's existing issued share capital. A transaction representing less than 5% of market capitalisation or dilution (uncategorised) requires no disclosures. Where the ratio is more than 5%, but less than 30% (category 2), disclosure by announcement is required. A transaction where the percentage ratio is 30% or more, or where the maximum consideration has not yet been determined (category 1) requires disclosure by announcement and circular.

The aggregation provisions of the JSE Listings Requirements apply to transactions entered into with the same party and/or in respect of the same assets, in a rolling 12-month period.

As outlined in section 18.19 of the JSE Listings Requirements, Grindrod Shipping must ensure that any information published on NASDAQ is also released on SENS and that such release takes place no later than the equivalent release on NASDAQ. If the JSE is not open for business, it must ensure that such information is released through SENS at the commencement of business on the next business day.

RELATED PARTY TRANSACTIONS

NASDAQ

NASDAQ requires a domestic company to conduct an appropriate review and oversight of all related party transactions for potential conflict of interest situations on an ongoing basis by the company's audit committee or another independent body of the board of directors. Grindrod Shipping is only required to comply with the SEC rules on related party transactions applicable to foreign private issuers, which relate to disclosure only.

For domestic companies, NASDAQ requires that the audit committee or another independent body of the board of directors review related party transactions. While foreign private issuers may elect to follow home country practice in lieu of such compliance, Grindrod Shipping has voluntarily incorporated this oversight and review responsibility as set forth in the NASDAQ regulations into its audit and risk committee charter. NASDAQ itself does not review related party transactions for US or other companies.

JSE

The disclosures and/or approvals required for related party transactions entered into by a listed company are determined with reference to the categorisation of the transaction in terms of the JSE Listings Requirements. A related party transaction representing less than 0.25% of market capitalisation or dilution (uncategorised) requires no disclosures or shareholder approvals. Where the ratio is more than 0.25%, but less than 5% (small related party transaction), disclosure by announcement is required, supported by a positive fairness opinion (expert opinion determines the transaction to be fair to shareholders). A related party transaction where the percentage ratio is 5% or more - or less than 5% with a negative fairness opinion (expert opinion determines the transaction to be unfair to shareholders) - requires both disclosure by announcement and circular incorporating an expert opinion, as well as shareholder approval in general meeting.

FINANCIAL REPORTING

NASDAQ

Under the US system, listed companies are required to file annual and certain periodic reports that include specified company financials with the SEC.

1) Accounting standards

As permitted under SEC and NASDAQ rules, Grindrod Shipping will report under IFRS.

2) Auditing standards

Under applicable SEC rules, a foreign private issuer's financial statements must be audited in accordance with the standards of Public Company Accounting Oversight Board (United States) ("PCAOB"), and the auditor must comply with PCAOB and SEC standards relating to auditor independence. The Grindrod Shipping financial statements will be audited in accordance with PCAOB standards.

3) The timing of the release of information

Under SEC and NASDAQ rules, a foreign private issuer must file an Annual Report on Form 20-F, including audited annual financial statements, with the SEC within four months after the fiscal year covered by the report. NASDAQ also requires a foreign private issuer to submit to the SEC on a Form 6-K, no later than six months following the end of the company's second quarter, an interim balance sheet and income statement as of the end of its second quarter.

Further, SEC rules require a foreign private issuer to submit current reports to the SEC on Form 6-K. Form 6-Ks must be filed "promptly." Form 6-Ks are required with respect to all material information that an issuer (i) makes or is required to make public pursuant to the law of the jurisdiction of its domicile or in which it is incorporated or organized; (ii) files or is required to file with a stock exchange on which its securities are traded and which was made public by that exchange; or (iii) distributes or is required to distribute to its security holders. In addition, a NASDAQ-listed foreign private issuer shall make prompt disclosure to the public through a press release or similar method of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions.

4) Review of the financial information published by issuers

Under the US framework, the SEC must review each reporting company's financial and non-financial disclosure at least once every three years, but may review such disclosure earlier or more frequently.

JSE

In terms of the JSE Listings Requirements, listed companies are required to make full and timeous disclosure of periodic financial information.

1) Accounting standards

As permitted under the JSE Listings Requirements, Grindrod Shipping will report under IFRS.

2) Auditing standards

In terms of the JSE Listings Requirements, a listed company's financial statements must be audited in accordance with international standards on auditing and international standards on assurance engagements. Auditors so engaged are required to be registered with the Independent Regulatory Board for Auditors, or a similar regulatory or professional body for auditors in another jurisdiction, and to be accredited as such on the JSE list of accredited auditors.

3) The timing of the release of information

Interim reports are to be published on the SENS and in the press within three months of the interim period end. Interim reports need not be audited/reviewed nor distributed to shareholders, unless the issuer has previously issued modified financial statements. If financial results are published and the integrated annual report is distributed within three months of year end, then a preliminary report is published on SENS only.

Provisional reports are to be published on SENS and in the press within three months of the year end. Provisional reports are to be reviewed at a minimum and the full audited annual financial statements are required to be distributed to shareholders within four months of the year end.

4) Review of the financial information published by issuers

The JSE has a well-established practice of pro-active monitoring of financial statements. All financial statements published by listed companies are eligible for review. Affected companies are selected without prior notification and are contacted by the JSE only where the review process has identified issues which warrant further investigation. The Audit Committees of

listed companies are obliged to receive and attend appropriately to any concerns or complaints relating to accounting matters and their input is therefore required on any correspondence which flows from the company in response to issues of an accounting nature raised by the JSE.

As outlined in section 18.19 of the JSE Listings Requirements, Grindrod Shipping's annual financial statements and any other communication with shareholders must state where the primary and secondary listings of the ordinary shares are.

5) **Headline earnings**

The JSE requires headline earnings per share ("**HEPS**") to be disclosed in the financial results with a reconciliation between earnings and headline earnings. HEPS is a non-IFRS measure.

As outlined in section 18.19 of the JSE Listings Requirements, Grindrod Shipping must publish, in its interim and year-end results, HEPS and diluted HEPS together with an itemised reconciliation between headline earnings and the earnings used in the calculation.

BOARD APPOINTMENTS

NASDAQ

Except as noted below, NASDAQ rules allow foreign private issuers to follow home country practices in *lieu* of NASDAQ's corporate governance requirements, including those relating to the appointment of the board of directors. The Singapore Companies Act prescribes that, unless the constitution otherwise provides, a company may appoint a director by ordinary resolution passed at a general meeting of the shareholders.

The constitution of Grindrod Shipping sets out that Grindrod Shipping may, by shareholders' ordinary resolution, appoint any person to be a director and the directors shall have power at any time and from time to time to appoint any person to be a director either to fill a casual vacancy or as an additional director. Without prejudice thereto, the directors shall have power at any time to do so, but so that the total number of directors shall not exceed the maximum number (if any) fixed by or in accordance with the constitution. Any person so appointed by the directors (other than the chief executive officer and the chief financial officer) shall hold office only until the next annual general meeting and shall then be eligible for re-election.

JSE

The JSE Listings Requirements permit the constitution of listed companies to provide for the nomination of one or more directors by any person who is named in the constitution or determined in terms of the constitution, provided that any shareholder has the right to nominate directors. Such a person must not be entitled to appoint or remove any director/s. The appointment of all directors shall be subject to shareholder approval at any general/annual general meeting. The appointment of a director, to fill a casual vacancy or as an addition to the board, must be confirmed by shareholders at the company's next annual general meeting.

CORPORATE GOVERNANCE

NASDAQ

NASDAQ rules allow foreign private issuers to follow home country practices in *lieu* of NASDAQ's corporate governance requirements, except that audit committees are required to meet certain criteria prescribed by the SEC and implemented by NASDAQ, including, among other things, that all audit committee members must be independent and may not accept consulting, advisory or compensatory fees from the company. Accordingly, Grindrod Shipping intends to comply with the Singapore Code of Corporate Governance in *lieu* of NASDAQ standards with respect to all other corporate governance standards.

JSE

Application of the corporate governance principles set out in the King IV Report on Corporate Governance for South Africa 2016 ("**King Code**") is generally voluntary. Notwithstanding that, the JSE has incorporated certain practices from the King Code into the JSE Listings Requirements, the effect of which is to make them mandatory for compliance by listed companies (including race and gender diversity at board level, a separation of the roles of chair and chief executive, the establishment of remuneration and audit committees, requirements relating to remuneration policies and their implementation and the correct/ongoing classification of directors). Listed companies are required to report annually to shareholders on their compliance with the King IV principles/practices.

Grindrod Shipping will voluntarily elect to comply with paragraph 3.84 of the JSE Listings Requirements (excluding paragraphs 3.84 (c)(iii), (i), (j) and (k)).

PRICE SENSITIVE INFORMATION

NASDAQ

A NASDAQ-listed company is generally required to make prompt disclosure to the public through a press release or similar method of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. In the US, information is "material" if a reasonable investor would consider the information to be important in making an investment decision or to have altered the "total mix" of information available.

Under SEC rules, foreign private issuers are required to submit current reports to the SEC on Form 6-K with respect to all material information that an issuer (1) makes or is required to make public pursuant to the law of the jurisdiction of its domicile or in which it is incorporated or organized; (2) files or is required to file with a stock exchange on which its securities are traded and which was made public by that exchange; or (3) distributes or is required to distribute to its security holders. Form 6-Ks must be filed "promptly".

JSE

The disclosure of price sensitive information ("**PSI**") is regulated by the Financial Markets Act and the JSE Listings Requirements in order to ensure equal, correct and timeous disclosure of PSI into the market. The JSE Listings Requirements on PSI regulate its dissemination in both the ordinary course of business (in the form of trading statements which furnish specific guidance on a listed company's expected earnings compared to that of the prior comparative reporting period) and outside the ordinary course of business (in the form of a price sensitive announcement relating to an unusual business development or the negotiation of a transaction).

As outlined in section 18.19 of the JSE Listings Requirements, Grindrod Shipping must ensure that any information published on NASDAQ is also released on SENS and that such release takes place no later than the equivalent release on NASDAQ. If the JSE is not open for business, it must ensure that such information is released through SENS at the commencement of business on the next business day.

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