

# Updated notice of the annual general meeting

Notice is hereby given that the fifty-first annual general meeting of Grindrod Limited (the company) will be held in the boardroom, 8<sup>th</sup> Floor, Grindrod House, 108 Margaret Mncadi Avenue, Durban on Thursday, 31 May 2018 at 14:00 for the purpose of considering and if deemed fit, passing with or without modification, according to the requirements of the Companies Act (the Act), as read with the JSE Listings Requirements, the ordinary and special resolutions as set out below.

The minutes of the meeting held on 24 May 2017 are available for inspection at the registered office of the company until 16:00 on 29 May 2018.

## 1. Presentation of annual financial statements and reports

- 1.1 To present the audited annual financial statements for the financial year ended 31 December 2017, together with the reports of the audit committee, the directors and the auditors.

The summarised consolidated financial statements for 2017 are set out on pages 126 to 137 of the integrated annual report. A copy of the full audited consolidated financial statements is available on the company's website at [www.grindrod.com](http://www.grindrod.com).

- 1.2 To present the report of the social and ethics committee, set out on pages 98 and 99 of the integrated annual report.

## 2. Ordinary resolutions

### 2.1 Ordinary resolution 2.1: Re-election of non-executive directors retiring by rotation

To vote on the re-election, each by way of a separate vote, of the following directors who are required to retire by rotation in accordance with article 5.1(8) of the memorandum of incorporation (MOI) and being eligible, offer themselves for re-election:

- 2.1.1 G Kotze  
2.1.2 ZN Malinga  
2.1.3 RSM Ndlovu

The nomination committee of the company has conducted an assessment of the performance of each of the retiring candidates and the board accepted the results of the assessments. Accordingly, the board recommends their re-election to shareholders.

Brief CVs of the directors are provided on pages 84 to 88 of the integrated annual report.

### 2.2 Ordinary resolution 2.2: Election of member and appointment of chairman of the audit committee

To vote on the election of GG Gelink, an independent non-executive director of the company, as a member of the audit committee and his appointment as the chairman of the committee, until the end of the next annual general meeting of the company.

A brief CV of the director is provided on page 85 of the integrated annual report.

### 2.3 Ordinary resolution 2.3: Election of members of the audit committee

To vote on the re-election in terms of section 94 of the Act, each by way of a separate vote, the following independent non-executive directors of the company, as members of the audit committee to hold office until the end of the next annual general meeting of the company:

- 2.3.1 WD Geach  
2.3.2 RSM Ndlovu

Brief CVs of the audit committee members are provided on pages 85 and 86 of the integrated annual report.

### 2.4 Ordinary resolution 2.4: Re-appointment of independent auditors and re-appointment of designated audit partner

To vote, each by way of a separate vote, on:

- 2.4.1 The re-appointment of Deloitte & Touche as independent auditors of the company, to hold office until the next annual general meeting.  
2.4.2 The re-appointment of K Peddie as designated audit partner, to hold office until the next annual general meeting.



## Updated notice of the annual general meeting continued

### 2. Ordinary resolutions (continued)

#### 2.4 Ordinary resolution 2.4: Re-appointment of independent auditors and re-appointment of designated audit partner (continued)

The audit committee nominated Deloitte & Touche to be independent auditors of the company and K Peddie to be designated audit partner and accordingly recommends that Deloitte & Touche and K Peddie be appointed as independent auditors and designated audit partner, respectively.

#### 2.5 Ordinary resolution 2.5: General authority to directors to allot and issue ordinary shares

That, as an ordinary resolution, and subject to the provisions of the Act and the JSE Listings Requirements, from time to time, that the directors of the company be and are hereby authorised, as a general authority and approval, to allot and issue, for such purposes and on such terms as they may in their discretion determine, ordinary shares in the authorised but unissued share capital of the company up to a maximum of ten percent of the number of ordinary shares in issue on the date of passing this resolution.

##### *Explanatory Note*

The reason for proposing ordinary resolution number 2.5 above is to seek a general authority and approval for the directors to allot and issue ordinary shares in the authorised but unissued share capital of the company, up to ten percent of the number of ordinary shares of the company in issue at the date of passing this resolution, in order to enable the company to take advantage of business opportunities which might arise in the future.

In order for ordinary resolution number 2.5 above to be approved, it must be supported by more than fifty percent of the voting rights exercised.

#### 2.6 Ordinary resolution 2.6 of 75 percent: General authority to issue shares for cash

That, as an ordinary resolution, and subject to ordinary resolution number 2.5 above being passed, the directors of the company be and are hereby authorised, in accordance with the Act and the JSE Listings Requirements, to allot and issue for cash, on such terms and conditions as they may deem fit, all or any of the ordinary shares in the authorised but unissued share capital of the company, which they shall have been authorised to allot and issue in terms of ordinary resolution number 2.5 above, subject to the following conditions:

- This authority is valid until the company's next annual general meeting, provided that it will not extend beyond fifteen months from the date that this authority is given;
- The ordinary shares, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into or represent options in respect of a class already in issue;
- Any such issue will be made only to 'public shareholders' as defined in the JSE Listings Requirements and not to related parties, unless the JSE otherwise agrees;
- The number of shares issued for cash will not in aggregate exceed ten percent of the company's listed ordinary shares (excluding treasury shares) as at the date of the notice of AGM, such number being 751 934 919 ordinary shares in the company's issued share capital;
- Any ordinary shares issued under this authority during the period of its validity must be deducted from the above number of ordinary shares and the authority shall be adjusted accordingly to represent the same allocation ratio on the event of a sub-division or consolidation of equity securities during the same period;
- The maximum discount permitted at which ordinary shares may be issued is ten percent of the weighted average traded price on the JSE of those shares over the thirty business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities; and
- An announcement giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the thirty business days prior to the date the company agrees to issue the shares and the impact on net asset value, net tangible asset value, earnings and (if applicable) diluted earnings and headline earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, five percent or more of the number of shares in issue prior to such issue.

##### *Explanatory Note*

The reason for proposing ordinary resolution number 2.6 is that the directors consider it advantageous to have the authority to issue ordinary shares for cash in order to enable the company to take advantage of any business opportunity which might arise in the future. At present, the directors have no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate.

In order for ordinary resolution 2.6 to be approved, it must be supported by more than seventy-five percent of the voting rights exercised.

### 3. Special resolutions

#### 3.1 Special resolution 3.1: Approval of non-executive directors' fees

That the fees payable to the non-executive directors of the company, members and chairmen of board committees for the year 1 July 2018 to 30 June 2019, as set out below, be approved.

	Member/Directors/Chairman	Present	Proposed
<b>Board of directors</b>	Chairman	R902 000	R956 000
	Lead independent director	R580 000	R700 000
	Non-executive director	R290 000	R350 000
<b>Audit committee</b>	Chairman	R232 500	R246 000
	Member	R129 000	R136 000
<b>Investment committee</b>	Chairman	Nil	Nil
	Standing member	R86 000	R91 000
	Ad-hoc member (per meeting)	R21 500	R22 000
<b>Nomination committee</b>	Chairman	R129 000	R136 000
	Member	R71 000	R75 000
<b>Remuneration committee</b>	Chairman	R129 000	R136 000
	Member	R71 000	R75 000
<b>Risk committee</b>	Chairman	R155 000	R164 000
	Member	R86 000	R91 160
<b>Social and ethics committee</b>	Chairman	R108 500	R115 500
	Member	R65 500	R69 000

The remuneration committee evaluated the fees for non-executive directors of the company, and members and chairmen of board committees. Factors such as the increased responsibilities of non-executive directors as a result of more stringent legal and corporate governance requirements, benchmarking against industry peers and market trends were taken into consideration when the remuneration committee recommended the above fees to the board. The board accepted the recommendations of the committee and accordingly recommends the above fees for approval by the shareholders in terms of section 66(9) of the Act.

#### 3.2 Special resolution 3.2: General authority to provide financial assistance in terms of section 44 of the Act

That, as a general approval, the directors of the company be and are hereby authorised, to the extent required by the Act, and subject to compliance with the requirements of the company's MOI and the JSE Listings Requirements (each as presently constituted and as amended from time to time), to provide direct or indirect financial assistance, including by way of loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the company or any of its subsidiaries, and/or to any member of such subsidiary or related or inter-related company or entity, for the specific purpose of or in connection with, the subscription of any option or securities issued or to be issued by the company or a related entity, provided that the board has applied the solvency and liquidity tests as set out in section 4 of the Act and the terms of the proposed financial assistance is fair and reasonable to the company.

#### 3.3 Special resolution 3.3: General authority to provide financial assistance in terms of section 45 of the Act

That, as a general approval, the directors of the company be and are hereby authorised, subject to the provisions of section 45 of the Act, compliance with the requirements of the company's MOI, the JSE Listings Requirements (each as presently constituted and as amended from time to time) and any other applicable laws that may exist from time to time, to provide direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to it in section 45(1) of the Act) that the board of directors of the company may deem fit, to any related or inter-related company or to any juristic person who is a member of or related to any such companies ('related' and 'inter-related' will herein have the meaning so attributed in section 2 of the Act) on the terms and conditions that the board of directors of the company may determine from time to time.

#### 3.4 Special resolution 3.4: Repurchase of the company's ordinary shares

That, as a general approval, the directors of the company be and they are hereby authorised, subject to the provisions of section 48, read with section 46 of the Act and of the JSE Listings Requirements, to approve the purchase by the company of its own ordinary shares, and the purchase of ordinary shares in the company by any of its subsidiaries, upon such terms and conditions and in such amounts as the board may from time to time determine, provided that:

- (i) the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- (ii) this general authority shall only be valid until the earlier of the company's next annual general meeting or the expiry of a period of fifteen months from the date of passing of this special resolution;
- (iii) in determining the price at which the company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be ten percent of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the five trading days immediately preceding the date on which the transaction is effected;



## Updated notice of the annual general meeting continued

### 3. Special resolutions (continued)

#### 3.4 Special resolution 3.4: Repurchase of the company's ordinary shares (continued)

- (iv) the acquisitions of ordinary shares in the aggregate in any one financial year may not exceed twenty percent of the company's issued ordinary share capital;
- (v) the company may only effect the repurchase once a resolution has been passed by the board confirming that the board has authorised the repurchase, that immediately after the repurchase the company would satisfy the solvency and liquidity tests, and that since this was done there have been no material changes to the financial position of the group;
- (vi) the company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless a repurchase programme is in place where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
- (vii) an announcement, containing full details of acquisitions in accordance with section 5.79 of the JSE Listings Requirements, will be published once the company has cumulatively repurchased three percent of the number of the ordinary shares in issue at the time this general authority is granted (initial number), and for each three percent in aggregate of the initial number acquired thereafter; and
- (viii) at any point in time, the company may only appoint one agent to effect any acquisition/s on its behalf.

#### **Adequacy of working capital**

At any time that the repurchase contemplated in this resolution is to take place, the board will ensure that, after considering the effect of the maximum repurchase and for a period of twelve months thereafter:

- (i) the company and the group will be able to pay their debts as they become due in the ordinary course of business for the period of twelve months after the date of notice of the annual general meeting;
- (ii) the consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards (IFRS), will be in excess of the consolidated liabilities of the company and the group for the period of twelve months after the date of notice of the annual general meeting;
- (iii) the issued share capital and reserves of the company and the group will be adequate for the purpose of the ordinary business of the company and the group for the period of twelve months after the date of notice of the annual general meeting; and
- (iv) the working capital available to the company and the group will be adequate for the purposes of the business of the company and the group for the period of twelve months after the date of notice of the annual general meeting.

#### **Disclosure**

The directors of the company has no specific intention at present for the company or its subsidiaries to repurchase any of the shares of the company as contemplated in this special resolution number 3.4 but considers that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the company and its shareholders.

The directors, whose names are set out on pages 84 to 88 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of information pertaining to this special resolution number 3.4 and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard, and that this resolution contains all information required by law and the JSE Listings Requirements.

The following additional information, some of which appears elsewhere in the integrated annual report of which this notice forms part, is provided in terms of section 11.26 of the JSE Listings Requirements for purposes of the general authority contemplated above:

- Major beneficial shareholders – page 139 of the integrated annual report;
- Directors' interests in shares – page 105 of the integrated annual report;
- Share capital of the company – page 131 of the integrated annual report.

Other than the facts and developments reported on in the integrated annual report, there have been no material changes to the financial or trading position of the company and its subsidiaries since 31 December 2017 and the issuing of this notice to shareholders (see page 123 of this report).

### 4. Non-binding advisory vote

#### 4.1 Confirmation of the group remuneration policy

That, as a non-binding advisory vote, the company's remuneration policy as set out in the remuneration report on page 107 of the integrated annual report be and is hereby confirmed.

#### 4.2 Confirmation of the group implementation report

That, as non-binding advisory vote, the company's implementation report as set out in the remuneration report on pages 110 to 116 of the integrated annual report be and is hereby confirmed.

In terms of the King Report on Governance for South Africa, 2016 (King IV), separate non-binding advisory votes should be put to the shareholders relating to the group remuneration policy and implementation report. The votes allow the shareholders to express their views on the remuneration policy and the implementation report adopted and implemented, but is not binding on the company.

## Other business

To transact such other business as may be required at this annual general meeting.

## Record dates

The record date for purposes of determining which shareholders are entitled to receive this notice is Friday, 6 April 2018.

The record date for shareholders to be recorded in the securities register of the company in order to be able to attend, participate and vote at the annual general meeting is Friday, 25 May 2018. Accordingly, the last date to trade in order to be eligible to attend and vote at the annual general meeting is Tuesday, 22 May 2018. It is recommended that Forms of proxy for the annual general meeting are to be lodged with the Transfer Secretaries, Link Market Services (South Africa) (Pty) Ltd, 13<sup>th</sup> Floor, Rennie House, 19 Amershoff Street, Braamfontein, email [meetfax@linkmarketservices.co.za](mailto:meetfax@linkmarketservices.co.za) of facsimile 086 674 2450 by no later than 14:00 on Tuesday, 29 May 2018.

## Preference shareholders

Preference shareholders are entitled to receive copies of correspondence related to all shareholder meetings. In respect of the annual general meeting to be held on Thursday, 31 May 2018, preference shareholders are entitled to attend the meeting and to vote together with ordinary shareholders in respect of special resolution number 3.4 regarding renewal of the authority of directors to repurchase ordinary shares.

## Voting and proxies

The minimum percentage of voting rights that is required for the adoption of each ordinary resolution is more than fifty percent of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting, except for ordinary resolution 2.6, which requires seventy-five percent.

The minimum percentage of voting rights that is required for the adoption of each special resolution is at least seventy-five percent of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting.

A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company. The attached form of proxy is only to be completed by those ordinary shareholders who hold ordinary shares in certificated form or are recorded in the sub-register in "own-name" dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without "own-name" registration and who wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation to attend the annual general meeting in person or proxy and vote. If they do not wish to attend the annual general meeting in person or by proxy and vote, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

A form of proxy must be lodged with the share transfer secretaries of the company, Link Market Services South Africa (Proprietary) Limited, not less than forty-eight hours before the time set for the meeting. Completion of a form of proxy will not preclude a member from attending the meeting.

## Electronic participation by shareholders

In terms of section 61(10) of the Companies Act every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Grindrod shareholders wishing to participate electronically in the annual general meeting are required to deliver written notice to the company at Grindrod Mews, 2nd Floor, 106 Margaret Mncadi Avenue, Durban, 4001 (marked for the attention of Mrs Cl Lewis) by no later than 16:00 on 30 May 2018 that they wish to participate via electronic communication at the annual general meeting (the "electronic notice"). In order for the electronic notice to be valid it must contain: (a) if the shareholder is an individual, a certified copy of his identity document and/or passport; (b) if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the annual general meeting via electronic communication; and (c) a valid email address and/or facsimile number (the "contact address/number"). By no later than twenty-four hours before the time for the annual general meeting the company shall use its reasonable endeavours to notify a shareholder at its contact address/number who has delivered a valid electronic notice of the relevant details through which the shareholder can participate via electronic communication.

In terms of section 63(1) of the Act, meeting participants need to provide satisfactory identification.

By order of the board



**Grindrod Limited**  
**Mrs Cl Lewis**

Group company secretary  
Durban

10 April 2018

