

GRINDROD LIMITED

(Registration No. 1966/009846/06)

MALUS AND CLAWBACK POLICY

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1. **AIM**

- 1.1 The aim of this Malus and Clawback Policy (**Policy**) is to empower Grindrod Limited (**Company**), through its board of directors (**Board**), to reduce and/or “clawback” certain elements of variable remuneration in circumstances where a Trigger Event has occurred.
- 1.2 The Board has adopted this Policy with effect from 1 January 2025 with a view to further aligning the interests of the Executives with the long-term interests of the Company and to ensure that excessive or inappropriate risk-taking is not rewarded.

2. **SCOPE**

- 2.1 This Policy sets out the circumstances where the Board, following the recommendation of the Remuneration Committee (**RemCom**), may apply its discretion to reduce (Malus) or Clawback any Award (in whole or in part) upon the occurrence of a Trigger Event, to ensure that incentive outcomes are fair, appropriate, and reflect business performance.
- 2.2 The malus and clawback provisions of this Policy apply to the Executives and may be extended to other employees where deemed appropriate by the RemCom from time to time.
- 2.3 This Policy may be applied to all Awards and may be applicable to additional variable remuneration (e.g. retention payments, ex-gratia payments) at the discretion of the RemCom.

3. **DEFINITIONS AND ABBREVIATIONS**

- 3.1 For purposes of this Policy, the terms below will have the following meanings:
 - 3.1.1 **Award** means any award that has been made to an Executive under any of the Company’s short-term incentive scheme(s) (**STI**) and/or long-term incentive plan(s) (**LTI**), and any other incentive award to which the RemCom deems it appropriate to apply Malus and/or Clawback (**ad hoc awards**) from time to time;
 - 3.1.2 **Clawback** means the recoupment, during the Clawback Period, of (all or a portion of) the Clawback amount from an Executive after settlement of an Award;

- 3.1.3 **Clawback Amount** means:
- 3.1.3.1 in respect of an Award settled in cash, the cash value of the Award on the Settlement Date (after the deduction of tax);
 - 3.1.3.2 in respect of an Award settled in shares, the cash value of the shares at the Settlement Date (after the deduction of tax);
 - 3.1.3.3 in respect of an *ad hoc* award, the cash value of the Award on the Settlement Date or the cash value of the shares at the Settlement Date (after deduction of tax), as applicable;
- 3.1.4 **Clawback Period** means up to 3 (three) years after the settlement of an Award; provided that if an investigation is still ongoing, the Clawback Period may be extended until the conclusion of the investigation;
- 3.1.5 **Executive** means the Chief Executive Officer and the Chief Financial Officer of the Company, and/or any other person designated an executive by the RemCom from time to time;
- 3.1.6 **Group** means any and all associated companies, affiliates, and subsidiaries of the Company from time to time, including any entity that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the Company, as well as their respective subsidiaries and **Group Company** shall be construed accordingly;
- 3.1.7 **Malus** means the reduction and forfeiture of an Award in whole or in part prior to vesting/accrual;
- 3.1.8 **Material** has the meaning given to it in section 1 of the Companies Act 71 of 2008, as amended from time to time, being “significant in the circumstances of a particular matter, to a degree that is (a) as a consequence in determining the matter; or (b) might reasonably affect a person’s judgement or decision-making in the matter;
- 3.1.9 **Participant** means the Executives to whom Awards have been made;
- 3.1.10 **Settlement Date** means the date on which an Award is settled to a Participant as set out in the STI policy and/or the LTI rules, as applicable; and
- 3.1.11 **Trigger Event** means an event listed in clauses 6.1 and 6.2, which shall give the RemCom the discretion to apply Malus and/or Clawback, as set out in this Policy.

4. RESPONSIBILITY FOR REVIEW

- 4.1 This Policy will be reviewed and amended by the RemCom in conjunction with all relevant stakeholders in accordance with:
- 4.1.1 internal requirements (e.g. employee, business and operational);
 - 4.1.2 any changes in legislation and/or regulations; and
 - 4.1.3 evolution of best practice in corporate governance and remuneration practices.

5. RESPONSIBILITY FOR IMPLEMENTATION

- 5.1 The Group Executive: Human Resources is responsible for the implementation of this Policy.
- 5.2 The RemCom will make recommendations to the Board in relation to the operation of this Policy and the Board will apply this Policy and exercise its discretion in the exceptional circumstances covered by this Policy.
- 5.3 Any member of the executive committee of the Company and/or the Company Secretary is required to immediately notify the chair of the RemCom and the chair of the Board respectively of any circumstances of which they are aware that could constitute a Trigger Event under this Policy.

6. TRIGGER EVENTS

Malus Trigger Events

- 6.1 The RemCom may exercise its discretion to determine that an Award is subject to Malus as a result of:
- 6.1.1 the Group's, Company's, or any Group Company's financial statements having been Materially restated at any time before the vesting/accrual of an Award, other than a restatement due to an appropriate change in accounting policy or to rectify a minor error;
 - 6.1.2 the discovery that any information or the assessment of any performance or other condition(s) used to determine an Award was based on erroneous, inaccurate, and/or misleading information, and led to a Material error in the calculation of an Award;

- 6.1.3 events or behaviour of the Participant, at any time before the vesting/accrual of an Award, which have led to the censure of the Group, Company, or any Group Company by a regulatory authority and/or have had a Material detrimental impact on the reputation of the Group, Company, or Group Company;
- 6.1.4 the Participant's conduct having, in the reasonable opinion of the RemCom and at any time before the vesting/accrual of an Award, amounted to serious misconduct, including breaching the Group's code of conduct, ethics, or risk policies;
- 6.1.5 any other matter which, in the reasonable opinion of the RemCom, is required to be considered to comply with prevailing legal and/or regulatory requirements.

Clawback Trigger Events

- 6.2 The RemCom may consider applying Clawback in the following limited circumstances:
 - 6.2.1 the discovery of a Material misstatement resulting in an adjustment to the Group's, Company's, or any Group Company's audited accounts in respect of a period for which the vesting/accrual conditions of an Award were assessed;
 - 6.2.2 the discovery that any information or the assessment of any performance condition(s) used to determine an Award was based on erroneous, inaccurate, and/or misleading information, and led to a Material error in the calculation of any Award;
 - 6.2.3 the discovery of events or behaviour on the part of the Participant that occurred prior to award or vesting/accrual that have led to the censure of the Group, Company, or any Group Company by a regulatory authority and/or have had a Material detrimental impact on the reputation of the Group, Company, or any Group Company;
 - 6.2.4 the discovery of conduct by the Participant that occurred prior to Award or vesting/accrual which, in the reasonable opinion of the RemCom, amounts to serious misconduct, including breaching the Group's code of conduct, ethics, or risk policies.
- 6.3 Where there is reasonable evidence that a Trigger Event occurred prior to the award or vesting/accrual date of an Award, and this is discovered before the expiry of the Clawback Period, the RemCom may exercise its discretion to require a Participant to repay the Clawback Amount (or a portion thereof).

7. APPLYING MALUS AND/OR CLAWBACK

RemCom and Board Responsibility

- 7.1 Before the RemCom makes a recommendation to the Board to implement the Malus and/or Clawback provisions under this Policy, the RemCom must:
 - 7.1.1 review the situation to understand whether a Trigger Event has occurred and the impact of the Trigger Event(s);
 - 7.1.2 where the Participant's behaviour or conduct is in question, assess the proximity of the Participant's behaviour or conduct in relation to the Trigger Event and whether the Trigger Event was caused by or ought reasonably to have been prevented by the Participant; and
 - 7.1.3 provide the Participant with written notice to the effect that the Company is considering applying Malus and/or Clawback to their Awards and afford the Participant the right to respond in writing within 14 (fourteen) days to provide reasons as to why Malus and/or Clawback ought not to be applied.
- 7.2 The Board retains the ultimate discretion to determine whether an event qualifies as a Trigger Event and the final value (if any) to be held back or retrieved from a Participant.

Process in applying Malus and/or Clawback

- 7.3 After the RemCom has considered the items detailed in clause 7.1 and made a recommendation to the Board, if the Board satisfies itself that there is reasonable evidence of a Trigger Event that warrants the application of Malus and/or Clawback, it may resolve to undertake the following actions:
 - 7.3.1 where not satisfied that an Award is appropriate or warranted due to the circumstances, and where such Award has not vested/accrued, apply Malus to all or a portion of the Award, thereby effecting full or partial forfeiture; and
 - 7.3.2 where satisfied that a vested/accrued Award was, with the benefit of hindsight, not appropriate or warranted as a result of a subsequently identified Trigger Event, Clawback all or a portion of the Award, or withhold from any unvested Awards that portion of the Clawback Amount to be recouped (i.e., apply Malus to any other unvested Awards).

- 7.4 In making this determination, the Board may consult advisors regarding the legal consequences of applying Malus and/or Clawback.
- 7.5 The determination on whether and the extent to which Malus and/or Clawback will be applied to an Award(s) will be communicated to the Participant and the decision in this regard shall be final and binding on the Participant.
- 7.6 All information relating to the investigation and the outcome of Malus and/or Clawback should be documented by the Company Secretary.

8. POLICY INTRODUCTION

This Policy, on adoption by the Board, will immediately apply to all future Awards to Participants, and will be referred to in, and become an integral part of, all future Award letters.