



# GRINDROD SHIPPING HOLDINGS PTE. LTD. **BOARD CHARTER**

GRINDROD SHIPPING HOLDINGS PTE. LTD.  
Registration No: 201731497H  
Registered Address: 10 Anson Road,  
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Singapore 079903

## **1. INTRODUCTION**

### **1.1**

The Board of directors (the Board) of Grindrod Shipping Holdings Pte. Ltd. (the Company) has adopted the corporate governance guidelines set out in this Board charter as a framework for good corporate governance. The Board, as the ultimate custodian of good governance is responsible to ensure that the Company, is, and is seen to be a responsible corporate citizen.

### **1.2**

The provisions of this Charter are subject to the application of legislative, regulatory and other requirements where obligatory and the voluntary adoption of appropriate non-compulsory frameworks, including the Company's Constitution, as it may be amended from time to time; provisions of the Singapore Companies Act, Chapter 50 as revised from time to time; the Singapore Code of Corporate Governance, dated 2 May 2012, as it may be amended from time to time, the regulatory framework of the United States, including the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the rules of the Securities and Exchange Commission (the "SEC") and the rules and regulations of The Nasdaq Global Select Market ("NASDAQ"), and the Johannesburg Stock Exchange ("JSE") or any other securities exchange on which the Company's securities are listed.

### **1.3**

In the event of a conflict between the provisions of any of the non-compulsory frameworks stated above, the relevant provisions of the Exchange Act, the SEC rules, the NASDAQ rules and the JSE rules (or the rules of any other securities exchange on which the Company's securities are listed) shall apply subject, in each case, to applicable exceptions thereto as provided from time to time. As of the time of the adoption of this Charter, the Company qualifies as a "foreign private issuer" under the SEC and NASDAQ rules.

## **2. APPOINTMENT AND COMPOSITION**

### **2.1**

The Board shall consist of not less than five, nor more than twelve directors. The Company may by ordinary resolution from time to time change the minimum and/or maximum number of directors.

### **2.2**

The Board shall be entitled to, at any time and from time to time to appoint any person as a director to either fill a casual vacancy or as an additional director, provided such appointments are confirmed by ordinary resolution by shareholders at the following Annual General Meeting (AGM).

### **2.3**

At each AGM, not less than one-third of all the directors shall retire from office by rotation, provided that no director holding office of chief executive officer (CEO) or chief financial officer (CFO) shall be subject to retirement by rotation or be taken into account in determining the number of directors to retire. The directors to retire as such, are being those directors longest in office since their appointment or last election, and may, if available, be proposed for re-election.

### **2.4**

The company in general meeting and by ordinary resolution, of which special notice has been given, may remove any director from office.

### **2.5**

The directors may from time to time elect a Chairman, and if desired, a Deputy Chairman and determine the period for which such persons shall hold office.

### **2.6**

The Board shall be unitary in nature, balanced between executive and non-executive directors, with a majority of non-executive directors, the most of whom should be independent.

**2.7**

The composition of the Board, (including its size, balance of knowledge, skills, experience, diversity and independence) and the removals, replacements and additional appointments of directors shall be considered by the Compensation and Nomination committee (CNC), which shall make appropriate recommendations and nominations to the Board.

**2.8**

Executive directors shall retire in such capacity by no later than the AGM following such director reaching the age of 63 years or such later date as the Board may determine, but may be requested to remain on the Board in a non-executive capacity. Non-executive directors shall retire by no later than the AGM following such director reaching the age of 70 years or such later date as may be determined by the Board.

**3. DIRECTOR INDEPENDENCE****3.1**

The Board will maintain a strong element of independence, with a third of the complete Board comprising independent non-executive directors, who are able to act independently on corporate affairs in the best interest of the company and to ensure sustainable value creation for its stakeholders, provided that the Chairman of the board is independent and that the Chairman of the Board and the CEO are not the same person.

**3.2**

Independence of the board directors shall be determined in accordance with the independence factors as set out in the Singapore Code of Corporate Governance. In addition, an independent director is a person who has no relationship with the company, or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably interpreted to interfere with the exercise of the director's independent business judgement in the best interest of the company.

**3.3**

The Board, through the assistance of the CNC, will determine the independence of the directors.

**3.4**

When deliberating on the independence of a director, the Board, through the CNC, should consider substance over form.

**3.5**

In addition to the independence provision as set out in clause 3.2 above, the independence of the members of the Audit and Risk Committee (ARC) shall be determined in accordance with the provisions of the NASDAQ rules, read with the provisions of Rule 10A-3 of the Exchange Act, (or any other primary securities exchange on which the Company's securities are listed).

**4. MANDATE, FIDUCIARY DUTIES AND RESPONSIBILITIES OF THE BOARD**

The Board has the following mandate and the directors have the following fiduciary duties and responsibilities:

**Ethical Leadership****4.1**

To lead and control the company ethically and effectively to create sustainable value for its stakeholders.

**4.2**

To always act in good faith, with the necessary due care, skill and diligence in the best interest of the Company.

**4.3**

To ensure the continued entrenchment of an ethical culture of the Company.

**4.4**

To set the Company's core values and principles, as contained in the Code of Ethics and ensure that the actions of the Company are in accordance with and in the spirit of such core values and principles.

**Strategy and performance****4.5**

To set strategic objectives, and ensure that the required financial, human, intellectual, technological and information resources are available, underpinned by appropriate infrastructure and assets for the Company to meet such strategic objectives.

**4.6**

To monitor and review management's performance in achieving the strategic objectives, measured against agreed key performance indicators. In this regard, non-executive directors should meet regularly without management to discuss the performance of the company.

**4.7**

To ensure that a framework of effective and efficient internal controls is in place; to enable the identification, management and mitigation of risks that may prevent the Company from achieving its strategic objectives, and to identify appropriate opportunities. The Audit and Risk Committee (ARC) will assist the Board in this regard.

**4.8**

To develop a framework to identify the Company's stakeholders, their needs and legitimate expectations as part of setting the Company's strategic objectives. In this regard, ongoing relationships and engagement with key stakeholders are critical.

**4.9**

To consider the opportunities and challenges in the economic, social and environmental areas in which the Company operates as part of its strategic formulation.

**4.10**

To ensure that all directors continuously have sufficient working knowledge of the Company, its industry, the macro environment as well as the material applicable laws, rules, regulations, codes and standards.

**4.11**

To ensure the continued legal, regulatory and other compliance of the Company.

**4.12**

To establish and maintain a system of disclosure controls and procedures to ensure that the Company provides timeous, material, relevant, consistent, accurate and compliant information to its shareholders, and other stakeholders, which includes all required financial and other filings and external reports. Such information should enable the Company's stakeholders to make informed assessments of the Company's performance and its future prospects.

**4.13**

To ensure, with the assistance of the CNC, that the Company compensates fairly and responsibly with clear disclosure of its compensation policies, level and composition of compensation and the procedure for determining such compensation in the Company's annual report.

**4.14**

To ensure the CNC conducts the formal annual performance evaluation process of the chairman, the Board, its committees and the directors.

## 5. CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)

### 5.1

There should be a clear division of responsibilities between the chairman and the CEO, with no one individual in a position of concentrated power. Therefore, the chairman and the CEO should be different persons to ensure independent decision-making.

### 5.2

In the event where there is no clear division of responsibilities, or where the chairman is not independent, the Board should appoint a Lead Independent Director.

### 5.3

The chairman of the Board is responsible for the following:

#### 5.3.1

To lead the Board ethically and effectively, maintaining a high standard of corporate governance.

#### 5.3.2

To set an ethical tone at Board level to ensure the company is and is seen to be a responsible corporate citizen.

#### 5.3.3

To set the agenda, with the assistance of the company secretary and the CEO for Board meetings, in accordance with the annual work plan of the Board.

#### 5.3.4

To ensure the Board receives complete, timeous, relevant, accurate information to facilitate good decision-making.

#### 5.3.5

To provide adequate time for open and constructive discussion and debate.

#### 5.3.6

To ensure effective communication, and where appropriate engagement with all stakeholders.

#### 5.3.7

To ensure due and proper contributions of all Board directors.

#### 5.3.8

To facilitate constructive engagement within the Board and between the Board and management.

#### 5.3.9

To ensure appropriate succession planning for the Board, with the assistance of the CNC.

## 6. SECRETARY

The company secretary or his/her nominee is responsible for the following:

### 6.1

To act as the secretary of the Board.

### 6.2

To prepare, in consultation with the chairman, an annual work plan for the Board to ensure that all matters to be considered by the Board are addressed during the respective Board meetings during the year.

**6.3**

To prepare an annual meeting calendar and set dates of all meetings in advance.

**6.4**

To ensure the annual work plan contains quarterly updates of relevant information relating to the Company's operations, its external environment, applicable technology and innovative practices, as well as statutory, regulatory and other developmental updates to ensure the directors are continuously kept informed.

**6.5**

To prepare in connection with each board meeting, in consultation with the chairman, a detailed agenda, supported with sufficient and appropriate information and supporting documentation, in accordance with the annual work plan and distribute to the Board and other invitees at least five working days prior to the meeting.

**6.6**

To take written minutes of all meetings of the Board; circulate them to the directors as soon as reasonably possible for correctness and ensure that the chairman signs the minutes as a true reflection of the proceedings at the meetings.

**6.7**

To maintain a minute book and a register of all resolutions of the Board, whether taken during a meeting or by means of round robin resolutions.

**6.8**

To ensure good corporate governance and the due and proper implementation of a legal and other compliance programme.

**6.9**

To ensure the induction of all newly appointed directors and the continual training and professional development of directors.

**6.10**

To maintain a register of all directors dealings and report all directors dealings and external directorships by directors to the Board.

**6.11**

To maintain a register of conflict of interest of all directors and report such conflicts to the Board and the ARC.

**6.12**

To facilitate the process whereby directors request and require to take independent professional advice, as may be appropriate, at the expense of the Company.

**7. BOARD COMMITTEES**

The Board is authorised to delegate certain of its duties to Board committees to assist with the effective execution of its mandate. Each committee shall have a written charter and shall report regularly to the Board summarizing the committee's actions and any significant issues considered by the committee. The following are the duly constituted Board committees, as per their respective committee charters:

**7.1**

Audit and Risk Committee (ARC)

The audit and risk committee is mandated to oversee and monitor the financial statement preparation and integrity; risk management and internal controls; internal audit; external audit and legal and other compliance.

**7.2****Compensation and Nomination Committee (CNC)**

The compensation and nomination committee is mandated to oversee and monitor the company compensation policy; the executive compensation policy; the appointment, compensation and oversight of a compensation consultant or other advisor; the nomination and appointment of directorate process; the independence of directors; the composition of the Board and Board committees; the performance evaluation of the Board as well as succession planning for directors.

**7.3****Committee Membership**

Members of the Board committee will be appointed by the Board, in consultation with the CNC, on an annual basis in accordance with the requirements for membership of each committee. The members of each committee shall designate one member of each committee as chairperson of such committee. Committee chairpersons shall be responsible for setting the agendas for their respective committee meetings. A director may serve on more than one committee.

**8. MEETING PROCEDURES****8.1**

The Board shall meet at least four (4) times a year at intervals of not less than one time per quarter. Further meetings may be called by the chairman of the Board, the CEO and other members of the Board, and shall be governed by the provisions of the Constitution of the Company.

**8.2**

The directors can determine the number of directors to constitute a quorum, and where such number has not been determined, the quorum shall be a majority of directors of the Board.

**8.3**

Professional advisors and service providers may attend meetings by invitation only and are not eligible to vote and do not count towards a quorum.

**8.4**

The non-executive directors should meet in executive session at least at every regularly scheduled board meeting with no members of management present.

**8.5**

The directors may participate in a meeting of the Board by means of any electronic communication, provided that all directors are able to communicate and actively participate during the meeting and shall be counted in the quorum for the meeting.

All resolutions taken during such meeting shall be considered as valid and binding, provided the requisite quorum was met. A meeting thus held is deemed to be held at the place agreed upon by the directors attending the meeting, provided that at least one of the directors present at the meeting was at that place for the duration of the meeting.

**8.6**

Provided that notice is given to all directors, a decision that could be voted on at a meeting of the Board may instead be adopted by written consent of a majority of the Board given in person or by electronic communication on a round robin basis and will have the same force and effect as if the decision had been approved by voting at the meeting of the Board. Such resolution may be adopted in counterparts.

**9. GENERAL****9.1**

The Board may consult with independent legal, financial, accounting and other advisors, at the Company's expenses, as necessary and appropriate and in accordance with this Charter and the committee charters, to assist in their duties to the Company's stakeholders.

**9.2**

The Board shall on an annual basis:

**9.2.1**

Review its performance and the performance of each director in accordance with the provisions of this Charter.

**9.2.2**

Review this Charter to ensure optimal effectiveness and amend the Charter as may be appropriate from time to time.

**9.2.3**

Review and approve its Annual Work Plan.