



# GRINDROD SHIPPING

## **WHISTLE BLOWING POLICY**

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### 1. INTRODUCTION

Grindrod Shipping is committed to the highest standards of ethical, moral and legal business conduct. Ethical business behaviour is the responsibility of every person in Grindrod Shipping and is reflected not only in our relationships with each other, but also with our customers, suppliers, shareholders and other stakeholders. The Grindrod Shipping Code of Ethics and related corporate policies are a key component of its commitment to high standards of business and personal ethics in the conduct of its business.

In line with this commitment, Grindrod Shipping expects directors, officers and employees and others that the company deals with who have serious concerns about any aspect of Grindrod Shipping's business to come forward and communicate these concerns through the appropriate channels outlined in this Whistle Blowing Policy provided by Grindrod Shipping, without any concerns or fear of victimisation or retaliation. It is recognised that wherever practical, and subject to any legal constraints, matters reported will proceed on a confidential basis.

All Grindrod Shipping directors, officers and employees are strongly encouraged to report their concerns through the normal business channels as set forth in this Whistle Blowing Policy, which can include, for example, immediate supervisors, human resources representatives, Ethics Officer, internal audit, or senior management representatives.

The introduction of the Grindrod Shipping Ethics Hotline is a supplementary reporting mechanism through which to raise concerns, if for any reason you are uncomfortable with using the normal business channels or unsatisfied with the response from the normal business channels. The system is available for use by all Grindrod Shipping employees and contractors.

The objective of this Whistle Blowing Policy is to reinforce the Code of Ethics and provide assurance to all staff, contractors and other stakeholders related to Grindrod Shipping that they will be protected from any reprisals or victimisation or retaliation arising from any legitimate matters reported in good faith through any of the reporting channels provided by Grindrod Shipping.

### 2. AFFIRMATION AND COMPLIANCE WITH RELEVANT LEGISLATION AND REGULATIONS

The below mentioned are not necessarily exhaustive.

#### 2.1 SOUTH AFRICA - PROTECTED DISCLOSURE ACT

The Protected Disclosures Act 26 of 2000, came into effect on 16 February 2001. Grindrod Shipping subscribes to the principles and requirements of this Act and will:

- Ensure protection of employees who submit a disclosure in good faith and use the appropriate reporting channels provided by Grindrod Shipping
- Strive to create a culture which will facilitate the disclosure of information by employees relating to criminal and other unethical or irregular conduct in the workplace in a responsible manner by providing clear guidelines for the disclosure of such information and protection against reprisals as a result of such disclosure
- Promote zero tolerance to any criminal and other unethical or irregular conduct within Grindrod Shipping.

#### 2.2 SINGAPORE – PREVENTION OF CORRUPTION ACT, WORKPLACE SAFETY AND HEALTH ACT, AND SINGAPORE CODE ON CORPORATE GOVERNANCE

- It is noted that section 36 of the Prevention of Corruption Act grants certain anonymity rights to whistle blowers, and that section 18 of the Workplace Safety and Health Act operates as a protection against dismissal for whistle blowing employees but only in relation to matters under this act.
- The Singapore Code of Corporate Governance, guideline 12.7 states: "The Audit Committee should review the policy and arrangements by which staff of the company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The Audit Committee's objective should be to ensure that arrangements are in place for such concerns to be raised

and independently investigated, and for appropriate follow-up action to be taken. The existence of a whistle-blowing policy should be disclosed in the company's Annual Report, and procedures for raising such concerns should be publicly disclosed as appropriate."

### 2.3 UNITED STATES – SARBANES-OXLEY ACT, DODD FRANK ACT, TITLE 18 OF THE U.S. CODE, AND SEC REGULATIONS

- This Policy is intended to comply with the requirements of sections 301 and 806 of the Sarbanes-Oxley Act of 2002, Section 922 of the Dodd Frank Act and Section 1514A of Title 18 of the U.S. Code and related rules and regulations of the Securities and Exchange Commission.
- Section 806 of the Sarbanes-Oxley Act of 2002 deals with the protection of employees of publicly traded companies who provide evidence of fraud.

## 3. OBJECTIVES AND SCOPE

### 3.1

This Whistle Blowing Policy is intended to provide overall guidance for the reporting, receipt, retention and treatment of concerns or complaints and to further encourage and enable directors, officers and employees to raise concerns or complaints within Grindrod Shipping rather than overlooking the problem or reporting such concerns through inappropriate channels.

### 3.2

Furthermore, this Whistle Blowing Policy aims to:

- Highlight the various channels available to directors, officers and employees of Grindrod Shipping to raise concerns or complaints and, when appropriate, to receive feedback on matters reported and any action taken by management in addressing the matters reported.
- Reassure directors, officers and employees (and, where relevant, other stakeholders) that they will be protected from reprisals or victimisation or retaliation for disclosures made in good faith.

### 3.3

There are existing procedures to enable employees to lodge grievances relating to their own employment, which will not be superseded by this Whistle Blower Policy and therefore the mechanisms available through this Whistle Blower Policy should not be used as an avenue to re-report issues that have already been addressed through the [human resources] grievance or complaints procedures.

This Whistle Blower Policy is intended to address concerns and complaints that fall outside the scope of grievance procedures, which, although not exhaustive, include the following:

- Conduct which is an offence or a breach of law
- Disclosures related to miscarriages of justice
- Health and safety risks, including risks to the public as well as other employees
- Damage to the environment
- The unauthorised use and abuse of Grindrod Shipping's resources
- Possible fraud and corruption
- Sexual or physical abuse
- Other unethical conduct
- Serious failure to comply with appropriate professional standards
- Abuse of power, or use of Grindrod Shipping's powers and authority for any unauthorised use or personal gain
- Deliberate breach of Grindrod Shipping Policies and/or procedures, including this Whistle Blower Policy
- Questionable accounting, financial reporting, internal accounting controls or auditing matters ("Financial Concerns")

Financial concerns include, but are not limited to, the following:

- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of Grindrod Shipping;
- fraud or deliberate error in the recording or maintaining of financial records of Grindrod Shipping;
- deficiencies in or noncompliance with Grindrod Shipping's internal accounting controls;
- misrepresentations or false statements to or by a senior officer of Grindrod Shipping or an accountant regarding a matter contained in the financial records, financial reports or audit reports of Grindrod Shipping;
- deviation from full and fair reporting of Grindrod Shipping's financial condition;
- substantial variation in Grindrod Shipping's financial reporting methodology from prior practice or from International Financial Reporting Standards (IFRS);
- issues affecting the independence of Grindrod Shipping's independent public accounting firm;
- falsification, concealment, or inappropriate destruction of corporate or financial records;
- misappropriation or inappropriate usage Grindrod Shipping's assets by directors, officers, employees or anyone else;
- any other conduct that may cause substantial injury to the financial interest or property of Grindrod Shipping or its investors; or
- communicating confidential business or financial information outside of Grindrod Shipping

#### 4. ACTING IN GOOD FAITH

Users of the Grindrod Shipping Ethics Hotline or any other appropriate reporting channel must act in good faith and must not make false accusations when reporting any concerns. Good faith is when a disclosure is made without malice or consideration of personal benefit and the complainant has a reasonable basis to believe the report to be true. Any employee who knowingly or recklessly makes false or misleading statements or disclosures that are not in good faith may be subject to disciplinary action, following which the appropriately strong sanction will be applied to the employee.

#### 5. REPORTING CHANNELS

##### 5.1

In order to remain in compliance with relevant legislation and regulation, Grindrod Shipping will ensure protection of employees (and, where relevant, other stakeholders) who submit a disclosure in good faith, using the appropriate channels provided by Grindrod Shipping.

##### 5.2

As a first step, employees should normally raise concerns in a confidential manner with their immediate Manager or their superior. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice.

##### 5.3

If an employee is for any reason uncomfortable using the normal business channels, they should then contact the Grindrod Shipping Ethics Officer and/or the Grindrod Shipping Ethics Hotline.

##### 5.4

Financial Concerns (such as those described above) should also be reported to the Audit and Risk Committee of the Board of Directors (the "ARC") care of Grindrod Shipping's Singapore office (marked to the attention of the Chairman of the Audit and Risk Committee).

##### 5.5

Concerns and complaints may be raised verbally or in writing, and should indicate that they are being raised in terms of this Whistle Blower Policy. Concerns and complaints, whether oral or written, should provide a brief description of the alleged wrongdoing, identify the names of suspected wrongdoers and how the reporting person became aware of the alleged misconduct.

Employees who wish to make a written report are invited to use the following format:

- The background and history of the concern (giving relevant dates)
- The reason you are particularly concerned about the situation
- The extent to which you have personally witnessed or experienced the problem (provide documented evidence where possible).

Although you are not expected to prove beyond reasonable doubt the truth of an allegation, the grounds for your concern should be grounds that an independent third party, acting reasonably, would be likely to find sufficient to support the allegation.

### 6. SAFEGUARDS AGAINST HARASSMENT AND VICTIMISATION

Grindrod Shipping is committed to good practice and high standards and wants to be supportive of employees. Grindrod Shipping recognises that the decision to report a concern or complaint can be a difficult one to make and is, therefore, committed to ensuring that an employee is protected for a disclosure made in good faith. Retaliation by any employee (or other stakeholder) of Grindrod Shipping, directly or indirectly, against any person who, in good faith, submits a disclosure or provides assistance to those responsible for investigating the allegations will not be tolerated.

No employee will suffer harassment, retaliation or adverse employment consequences as a result of the submission in good faith and in terms of this Policy of their disclosure. Any employee of Grindrod Shipping who retaliates against a person who has submitted a disclosure pursuant to this Policy and in good faith, shall be subject to disciplinary action following which an appropriately strong sanction will be applied.

### 7. DEFINITION OF A DISCLOSURE

A disclosure is a reported concern or complaint that has been submitted by an employee, contractor or external stakeholder acting in good faith and indicating that it is a confidential disclosure in terms of this Whistle Blower Policy, using the channels referred to in Section 5 above, including the Grindrod Shipping Ethics Hotline. It does not include issues or concerns raised by employees through normal business channels in an open, non-confidential manner. All disclosure reports under this Whistle Blower Policy and to the Grindrod Shipping Ethics Hotline will be treated in confidence.

[To enhance the confidentiality of the system, Grindrod Shipping has chosen to outsource the management of the Grindrod Shipping Ethics Hotline and has selected and contracted an independent specialist external provider namely Deloitte Tip-offs Anonymous. Disclosures will be handled in a secure environment by Deloitte Tip-offs Anonymous by professionally trained personnel.]

### 8. CONTACT DETAILS FOR REPORTING AND RECORDING OF DISCLOSURE

The Ethics Officer is Jeremy Miles and he can be contacted on +27 (0)31 3021834.

Users of the Grindrod Shipping Ethics Hotline can report their disclosures using any one of the following mediums of communications:

- Use of a dedicated FreeCall number which is:
- South Africa – 0800 111 938
- Singapore – 0065 31583352
- Use of one unique email address which is [grindrodship@tip-offs.com](mailto:grindrodship@tip-offs.com)
- FreePost address: Free Post KZN 138, Umhlanga Rocks, 4320
- FreeFacsimile: 0800 00 77 88 (Only from South Africa) / International fax: +27 (0)31 560 7395
- Access to the Deloitte Tip-offs Anonymous website which is [www.tip-offs.com](http://www.tip-offs.com)
- Send an SMS to 32840 (SMS charges apply) (South Africa only).

Disclosures will be received by Deloitte Tip-offs Anonymous, the external service provider, and reports will be prepared for communication to the following authorised individuals:

DETAILS	DESIGNATION
Nominee 1	Ethics Officer
Nominee 2	Company Secretary
Nominee 3	Chief Financial Officer
Nominee 4	Audit and Risk Committee Chairman

Under normal circumstances, all reports will be sent to Nominee 1 and Nominee 2 as the primary recipients. In addition, all Financial Concerns shall be reported to Nominee 4.

However, a relevant escalation process has also been defined for certain circumstances as follows:

- Should Nominee 1 or 2 be implicated, the report is escalated to Nominee 3
- Nominee 4 would be contacted in the event a particular disclosure concerns or involves Nominee 3.

The reports will include only objectively presented information that is in direct relation to the scope of any investigation undertaken for the verification of the alleged facts.

All reports provided to the reporting personnel, as indicated above, will eliminate any element that could identify the employee making a disclosure. This means that the employee will remain totally anonymous if they have chosen to use this option.

However, the identity of an employee will be provided to Grindrod Shipping if the employee has given their verbal consent to (Deloitte Tip-offs Anonymous, the external service provider), to communicate their identity to Grindrod Shipping.

## 9. HOW WILL GRINDROD SHIPPING RESPOND

### 9.1

Grindrod Shipping will maintain a Fraud Response Plan which deals, inter alia, with how Grindrod Shipping will address or respond to matters reported, whether through internal reporting mechanisms or through the Grindrod Shipping Ethics Hotline, which is emphasised below:

#### 9.1.1

Grindrod Shipping will evaluate and respond as appropriate to all disclosures made.

#### 9.1.2

Grindrod Shipping will take all reasonable steps to ensure the employee's protection if the disclosure is made in good faith.

#### 9.1.3

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take.

#### 9.1.4

Subject always to the ARC having the ultimate discretion and right to determine whether an investigation is required, and the form and manner of such investigation, in respect of Financial Concerns, where an investigation is considered appropriate by the Ethics Officer, the matters raised will either:

- Be investigated internally by management or internal audit or through the disciplinary process; or
- Be referred to an independent outside service provider with the necessary specialist expertise and experience in dealing with the type of disclosure made. This will be determined on a case-by-case basis.

#### **9.1.5**

Some concerns may be resolved by agreed action without the need for formal investigations. If urgent action is required, this will be taken before any investigations are conducted.

#### **9.1.6**

The investigation and the duration thereof will depend on the nature of the matters raised, the difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the individual, if this is possible.

#### **9.1.7**

The investigations will be handled in a confidential manner and will not be disclosed or discussed with any persons other than those with a legitimate need to know or right to such information. Appropriate feedback will be provided to the whistle blower via [the Ethics Hotline].

### **10. RECORDS**

The Ethics Officer shall maintain a log of all records relating to any reports of concerns or complaints made under this Whistle Blower Policy, tracking their receipt, investigation, resolution and the response (if applicable) to the person making the report, and shall present a [quarterly] summary report thereof to the ARC. Any member of the ARC shall at any time, upon request, be given prompt access to the complete underlying report reflected in any written record. Grindrod Shipping shall retain copies of the reports and the log for a period of at least [five (5)] years, subject to applicable privacy laws.

### **11. THE RESPONSIBLE OFFICER**

Subject to the jurisdiction of the ARC, the Ethics Officer has overall responsibility for the maintenance and implementation of this Policy.

The Internal Audit function will maintain a record of concerns and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the CEO and ARC.

### **12. CREATING AWARENESS**

In order for the Policy to be sustainable, it will be supported by a structured education, communication and awareness programme as part of Grindrod Shipping's broader fraud risk management strategy.

### **13. FURTHER INFORMATION**

Requests for further information should be referred to the Ethics Officer.