

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please consult your stockbroker, CSDP, banker, accountant, legal adviser or other professional adviser immediately.

The definitions and interpretations set out on pages 5 to 8 of this circular apply *mutatis mutandis* to this section.

Action required by shareholders of Grindrod:

If you have disposed of all your shares in Grindrod this document should be handed to the purchaser of such shares or the stockbroker, CSDP, banker or other agent through whom such disposal was effected.

A general meeting of shareholders of Grindrod will take place at Quadrant House, 115 Margaret Mncadi Avenue, Durban, 4001 at 10:00 on Monday, 24 October 2011 for ordinary shareholders to vote on the transaction.

If you are a certificated shareholder of Grindrod or an own name dematerialised shareholder of Grindrod and are unable to attend the general meeting and wish to be represented thereat you must complete and return the attached form of proxy (*blue*) for certificated shareholders and own name dematerialised shareholders to the company, to be received by no later than 10:00 on Saturday, 22 October 2011. Should Grindrod ordinary shareholders wish to lodge the attached form of proxy (*blue*) with the transfer secretaries, the form of proxy (*blue*) must be received by the transfer secretaries by no later than 10:00 on Thursday, 20 October 2011. Grindrod shareholders who have dematerialised their shares through a CSDP or broker other than those shareholders with own name registration, and who wish to attend the general meeting of shareholders, must request their CSDP or broker to provide them with the necessary authority in the form of a letter of representation to attend the general meeting of shareholders or must instruct their CSDP or broker to vote by proxy on their behalf in terms of the custody agreement governing the relationship between such shareholders and their CSDP or broker; in the case of ordinary shareholders. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.

Action required by qualifying Grindrod shareholders:

In terms of the Remgro offer, qualifying Grindrod shareholders are extended the Remgro offer entitlement.

Qualifying Grindrod shareholders who wish to subscribe for subscription shares pursuant to the Remgro offer shall be entitled to accept the Remgro offer in respect of all or part of their entitlement to subscription shares, but shall not be entitled to accept in respect of more than their entitlement.

Further details of the Remgro offer (together with a table of entitlements and a form of acceptance and payment instruction (*green*)) are set out in the section which is annexed to this circular.

Further action required by preference shareholders:

Preference shareholders are entitled to attend the general meeting but are not entitled to vote thereat.



(Incorporated in the Republic of South Africa)

(Registration number 1966/009846/06)

Share code: GND and GNDP ISIN: ZAE000072328 and ZAE000071106

("Grindrod" or "the Company")



(Incorporated in the Republic of South Africa)

(Registration number 1968/006415/06)

Share code: REM ISIN: ZAE000026480

("Remgro")

CIRCULAR TO GRINDROD SHAREHOLDERS

regarding:

- a specific issue for cash of 133 333 334 ordinary shares at an issue price of R15.00 per share for a total subscription consideration of approximately R2 billion; and
- details of the Remgro offer;

and incorporating:

- a notice of general meeting;
- a form of proxy (*blue*) for use by certificated and own name dematerialised shareholders only;
- the Remgro offer (together with a table of entitlements); and
- a form of acceptance and payment instruction (*green*) (for use by certificated shareholders only).

Lead Financial Adviser and Independent Sponsor to Grindrod

Deutsche Bank
Deutsche Securities (SA) (Proprietary) Limited
(A non-bank member of the Deutsche Bank Group)



Legal Adviser to Grindrod

GARLICK & BOUSFIELD



Joint Financial Adviser and Sponsor to Grindrod



Reporting Accountants to Grindrod

Deloitte.
Deloitte & Touche
Registered Auditors

Financial Adviser and Sponsor to Remgro



Legal Adviser to Remgro



Date of issue: Monday, 26 September 2011

Copies of this document are available in English only and may be obtained from the registered office of Grindrod and the offices of the transfer secretaries, the addresses of which are set out in the "Corporate information and advisers" section of this circular.

CORPORATE INFORMATION AND ADVISERS

Company Secretary and Registered Office

C A S Robertson (FCIS)

Grindrod Limited

(Registration number 1966/009846/06)
Quadrant House
115 Margaret Mncadi Avenue
Durban
(PO Box 1, Durban, 4000)

Lead Financial Adviser and Independent Sponsor to Grindrod

Deutsche Securities (SA) (Proprietary) Limited

(A non-bank member of the Deutsche Bank Group)
(Registration number 1995/011798/07)
3 Exchange Square
87 Maude Street
Sandton
(PO Box X9933, Sandton, 2146)

Joint Financial Adviser and Sponsor to Grindrod

Grindrod Bank Limited

(Registration number 1994/007994/06)
Building Three, 1st Floor
North Wing, Commerce Square
39 Rivonia Road, Corner Helling Road
Sandton
(PO Box 78011, Sandton, 2146)

Financial Adviser and Sponsor to Remgro

Rand Merchant Bank

(A division of FirstRand Bank Limited)

(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton
(PO Box 786273, Sandton, 2146)

Legal Advisers to Grindrod

Garlicke & Bousfield Inc.

(Registration number 1977/003506/21)
7 Torsvale Crescent
La Lucia Ridge Office Estate
La Lucia Ridge
(PO Box 1219, Umhlanga Rocks, 4320)

Reporting Accountants and Auditors to Grindrod

Deloitte & Touche

2 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
La Lucia Ridge
(PO Box 243, Durban, 4000)

Transfer Secretaries to Grindrod

Computershare Investor Services (Proprietary) Limited

(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg
(PO Box 61051, Marshalltown, 2107)

Legal Adviser to Remgro

Webber Wentzel

10 Fricker Road
Illovo Boulevard
Illovo
Johannesburg
(PO Box 61771, Marshalltown, 2107)

IMPORTANT LEGAL NOTES AND FORWARD-LOOKING STATEMENTS

JURISDICTION

The distribution of this circular and/or accompanying documents and/or the offer to subscribe for subscription shares in jurisdictions, other than South Africa, may be restricted by the laws of such jurisdictions. Neither this circular nor the form of acceptance and payment instructions may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this circular and the form of acceptance and payment instruction are sent for information purposes only and should not be copied or redistributed. Shareholders who are not resident in, or who have registered addresses outside South Africa, must satisfy themselves as to the full observance of the laws of any applicable jurisdiction concerning the acceptance of the Remgro offer, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Neither Grindrod nor Remgro accepts any responsibility for the failure by any qualifying Grindrod shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

FORWARD-LOOKING STATEMENTS

This circular may contain statements about Grindrod that are or may be forward-looking in nature. All statements, other than statements of historical facts included in this circular, may be forward-looking statements. Without limitation any statements preceded or followed by or that include the words: "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipate", or similar expressions or the negative thereof are forward-looking statements. Forward-looking statements include, but are not limited to, statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Grindrod's operations and (iii) the effect of Government regulation on Grindrod's businesses.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Grindrod, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of Grindrod and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributable to Grindrod or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Grindrod expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

Forward-looking statements contained in this circular have not been reviewed or reported on by the Company's external auditors.

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations set out on pages 5 to 8 of this circular apply *mutatis mutandis* to this section. Please take careful note of the following provisions regarding the actions required by shareholders:

This circular contains important information regarding the specific issue and matters relating thereto.

Shareholders should not construe anything in this circular as legal, business or tax advice. Shareholders who are in any doubt as to what action to take should consult their CSDP, broker, banker, accountant, attorney or other professional adviser immediately.

1. If you have disposed of all your shares this circular should be handed to the purchaser of such shares or the broker, CSDP, banker or other agent through whom such disposal was effected.
2. If you are in any doubt as to the action you should take, please consult your broker, CSDP, accountant, legal adviser or other professional adviser immediately.
3. This circular contains information relating to the transaction. You should carefully read through this circular and decide how you wish to vote on the resolutions to be proposed at the general meeting.

4. **General meeting**

Shareholders are invited to attend the general meeting, convened in terms of the notice of general meeting attached to and forming part of this circular, to be held at the offices of the Company, Quadrant House, 115 Margaret Mncadi Avenue, Durban, 4001, at 10:00 on Monday, 24 October 2011.

Preference shareholders are entitled to attend the general meeting but are not entitled to vote thereat.

5. **Own name dematerialised shareholders and certificated shareholders**

You are entitled to attend, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*), in accordance with the instructions contained therein, to be received by the Company, Quadrant House, 115 Margaret Mncadi Avenue, Durban, 4001 (PO Box 1, Durban, 4000) by no later than 10:00 on Saturday, 22 October 2011. Should Grindrod ordinary shareholders wish to lodge the attached form of proxy (*blue*) with the transfer secretaries, such form will need to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 10:00 on Thursday, 20 October 2011, so that arrangements can be made for the lodgement thereof with the Company by 10:00 on Saturday, 22 October 2011.

6. **Dematerialised shareholders without own name registration**

You must **not** complete the attached form of proxy (*blue*).

If you have not been contacted by your CSDP or broker with regard to how you wish to cast your votes at the general meeting, you should contact your CSDP or broker to enable them to vote in accordance with your instructions. If your CSDP or broker does not obtain instructions from you, they will then be obliged to act in terms of the custody agreement entered into between you and your CSDP or broker.

If you wish to attend the general meeting of the Company in person, you must request your CSDP or broker to issue the necessary letter of representation to you, to enable you to attend the general meeting.

7. **Notice of general meeting**

The notice convening the general meeting is attached to this circular.

8. **Remgro offer**

Qualifying Grindrod shareholders who wish to accept the Remgro offer are referred to paragraph 2.2 of this circular and the Remgro offer attached to this circular.

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SALIENT DATES AND TIMES

The definitions and interpretations set out on pages 5 to 8 of this circular apply mutatis mutandis to this section.

2011

Terms announcement released on SENS on	Tuesday, 20 September
Terms announcement published in the South African press on	Wednesday, 21 September
Circular posted to shareholders on	Monday, 26 September
Notice of general meeting announcement released on SENS on	Monday, 26 September
Notice of general meeting announcement published in the South African press on	Tuesday, 27 September
Last day to trade to be recorded in the register in order to be able to attend, participate and, in the case of ordinary shareholders only, vote at the general meeting on	Tuesday, 11 October
Remgro offer last day to trade	Friday, 14 October
Record date for shareholders to be recorded in the register in order to be able to attend, participate and, in the case of ordinary shareholders only, vote at the general meeting on	Tuesday, 18 October
Remgro offer record date	Friday, 21 October
Last day to lodge proxy forms (by no later than 10:00) for the general meeting on ³	Saturday, 22 October
General meeting held at 10:00 on	Monday, 24 October
Results of general meeting released on SENS on	Monday, 24 October
Results of general meeting published in the South African press on	Tuesday, 25 October
Remgro offer election date (by no later than 17:00) on	Tuesday, 25 October
Issue of ordinary shares to Remgro on	Monday, 31 October
Issue of ordinary shares to qualifying Grindrod shareholders who accepted the Remgro offer (by no later than)	Monday, 31 October

Notes:

1. The above dates and times are subject to amendment. Any such amendment will be released on SENS and published in the South African press.
2. All dates and times quoted in this document are South African dates and times.
3. Should Grindrod ordinary shareholders wish to lodge the attached form of proxy (*blue*) with the transfer secretaries, the form will need to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 10:00 on Thursday, 20 October 2011, so that arrangements can be made for the lodgement thereof with the Company by 10:00 on Saturday, 22 October 2011.

DEFINITIONS AND INTERPRETATIONS

In this circular and in the annexures hereto, unless otherwise indicated or unless the context indicates a contrary intention, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other gender and references to a person include references to legal persons and *vice versa*.

“board” or “directors”	board of directors of Grindrod, whose names appear on page 9 of this circular;
“broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE and in accordance with the provisions of the Securities Services Act;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“certificated shareholders”	shareholders who hold certificated shares;
“certificated shares”	shares that have not been dematerialised, the title to which is represented by a physical document of title;
“circular”	this circular, dated Monday, 26 September 2011, including the annexures hereto, the notice convening the general meeting and the form of proxy (<i>blue</i>), the Remgro offer and the form of acceptance and payment instruction (<i>green</i>) attached hereto;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
“Companies Act” or “Act”	Companies Act, 2008 (Act 71 of 2008), as amended;
“conditions precedent”	conditions precedent to the subscription agreement;
“CSDP”	Central Securities Depository Participant, being a participant as defined in section 1 of the Securities Services Act;
“dematerialisation”	process by which certificated shares are converted to electronic form as uncertificated ordinary shares and recorded in a sub-register;
“dematerialised shareholders”	shareholders who hold dematerialised shares;
“dematerialised shares”	shares that have been dematerialised;
“documents of title”	valid share certificates, certified transfer deeds, balance receipts or any other documents of title acceptable to Grindrod in respect of a certificated share;
“Exchange Control Regulations”	Exchange Control Regulations, 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“form of proxy” or “proxy form”	form of proxy (<i>blue</i>) attached to and forming part of this circular;
“general meeting”	general meeting of shareholders to be held at 10:00 on Monday, 24 October 2011, to be convened in connection with the transaction, for the purpose of considering, and if deemed fit passing, with or without modification the ordinary resolutions contained in the notice of general meeting attached to and forming part of this circular;
“Grindrod” or “Company”	Grindrod Limited (Registration number 1966/009846/06), a public company incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on the stock exchange operated by the JSE;

“Grindrod Family”	collectively Grindrod Investments (Proprietary) Limited (Registration number 1957/003944/07), a private company incorporated in accordance with the laws of South Africa, which has a total shareholding of 67 322 864 ordinary shares, and Nailsea Investments (Proprietary) Limited (Registration number 1990/005615/07), a private company incorporated in accordance with the laws of South Africa, which has a total shareholding of 16 629 818 ordinary shares, and who in total have a shareholding of 83 952 682 ordinary shares representing 18.0% of the issued ordinary share capital of Grindrod as at the last practicable date;
“group” or the “Grindrod Group”	Grindrod and its subsidiaries from time to time;
“IFRS”	International Financial Reporting Standards;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa, which is licensed to operate as an exchange under the Securities Services Act;
“King III”	the King Report on Governance for South Africa 2009;
“last practicable date”	Monday, 19 September 2011, being the last practicable date prior to the finalisation of this circular;
“lock-up period”	the expiry of a period of 18 months following the settlement date;
“Listings Requirements”	Listings Requirements of the JSE, as amended;
“material adverse change”	a decline of more than 15% in the Morgan Stanley Capital International (“MSCI”) World Index between the date of signature of the subscription agreement and the last business day prior to the general meeting. The MSCI World Index is a free-float weighted equity index comprising over 6 000 developed world market companies;
“nominee”	any wholly-owned subsidiary of Remgro, duly nominated in writing to Grindrod, that will assume all of Remgro’s rights and obligations in terms of the subscription agreement;
“ordinary shareholders” or “Grindrod ordinary shareholders”	holders of ordinary shares;
“ordinary share” or “share”	an ordinary share of 0.002 cent in the share capital of Grindrod;
“own name dematerialised shareholders”	dematerialised shareholders who have instructed their CSDP to hold their dematerialised shares in their own name on the sub-register;
“preference shareholders”	holders of preference shares;
“preference share”	a non-redeemable, non-participating and non-convertible preference share of 0.031 cent in the capital of Grindrod;
“qualifying Grindrod shareholders”	ordinary shareholders registered as such on the Remgro offer record date and therefore entitled to accept the Remgro offer, but excluding ordinary shareholders who are prohibited by the laws of any foreign jurisdiction from receiving or accepting the Remgro offer;
“qualifying Grindrod shareholders’ subscription shares”	the subscription shares to be allotted and issued to qualifying Grindrod shareholders pursuant to valid acceptances of the Remgro offer;
“Rand” or “R” or “cents”	South African Rand and cents, the lawful currency of South Africa;

“register”	securities register of ordinary shareholders, and the securities register of preference shareholders as the context dictates, including all sub-registers;
“Remgro”	Remgro Limited (Registration number 1968/006415/06), a public company incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on the stock exchange operated by the JSE;
“Remgro offer”	the non-renounceable offer made by Remgro to ordinary shareholders of Grindrod, recorded in the register on the Remgro offer record date, to subscribe for the subscription shares in its stead, the terms of which are set out in paragraph 2.2 of this circular;
“Remgro offer election date”	last day to lodge forms of acceptance and payment instruction with the transfer secretaries and to pay the subscription price as set out in the Remgro form of acceptance and payment instruction (green) attached to this circular, being 17:00 on Tuesday, 25 October 2011;
“Remgro offer entitlement”	entitlement to subscribe, at the subscription price and in Remgro’s stead, for 28.6657 subscription shares for every 100 ordinary shares held by qualifying Grindrod shareholders as at the Remgro offer record date, provided that any fractions of shares that may result from such subscription will be rounded up or down to the nearest whole number;
“Remgro offer last day to trade”	last day to trade in ordinary shares to be recorded in the register in order to participate in the Remgro offer, being Friday, 14 October 2011;
“Remgro offer record date”	record date for qualifying Grindrod shareholders, being Friday, 21 October 2011;
“RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited;
“Securities Services Act”	Securities Services Act, 2004 (Act 36 of 2004), as amended;
“SENS”	Securities Exchange News Service of the JSE;
“settlement date”	the date on which the subscription shares will be allotted and issued to either Remgro or qualifying Grindrod shareholders who subscribe for subscription shares pursuant to the Remgro offer, being Monday, 31 October 2011;
“shareholders”	holders of ordinary shares and holders of preference shares;
“South Africa”	Republic of South Africa;
“Strate”	Strate Limited (Registration number 1998/022242/06), a public company incorporated in accordance with the laws of South Africa which is a registered central securities depository in terms of the Securities Services Act, which manages the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
“sub-register”	sub-register of ordinary shareholders and, where relevant, of preference shareholders, holding dematerialised ordinary shares or preference shares, maintained by a CSDP and forming part of the register;
“subscription agreement”	the agreement entered into between Grindrod and Remgro, dated Monday, 19 September 2011, setting out the terms of the transaction;
“subscription consideration”	R2 000 000 010 (Two Billion and Ten Rand);

“subscription date”	the later of Monday, 31 October 2011 and the date on which the last of the conditions precedent to the transaction, as set out in paragraph 2.7, are fulfilled or waived;
“subscription price”	an issue price of R15.00 per ordinary share;
“subscription shares”	133 333 334 authorised but unissued ordinary shares in the share capital of Grindrod;
“subsidiary”	a subsidiary as defined in the Companies Act;
“transaction” or “specific issue”	the allotment and issue, for cash, in terms of the Listings Requirements, of 133 333 334 ordinary shares, at the subscription price, as described in this circular and the subscription agreement;
“transfer secretaries”	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa; and
“VAT”	Value-Added Tax.



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

Directors

Executive:

A K Olivier (*Group CEO*)
D A Polkinghorne
D A Rennie
A F Stewart
A G Waller (*FD*)

Non-executive:

I A J Clark (*Chairman*)
H Adams*
M R Faku
W D Geach*
I M Groves**
M J Hankinson*
S D M Zungu*

* Independent

** Lead independent

CIRCULAR TO GRINDROD SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

In an announcement released on SENS on Tuesday, 20 September 2011, and published in the press on Wednesday, 21 September 2011, shareholders were advised that Grindrod and Remgro have entered into a subscription agreement in terms of which Remgro will inject approximately R2 billion of equity capital into Grindrod.

The purpose of this circular is to provide shareholders with information on the transaction, which is to be effected as a specific issue of ordinary shares for cash in terms of the Listings Requirements, and to convene a general meeting of shareholders at which ordinary shareholders can consider and vote on the resolutions required to implement the transaction.

2. DETAILS OF THE TRANSACTION

2.1 The subscription by Remgro for Grindrod ordinary shares

In terms of the subscription agreement, Grindrod has offered Remgro the right to subscribe for the subscription shares and Grindrod will, subject to:

- the fulfilment or waiver, as the case may be, of the suspensive conditions set out in paragraph 2.7; and
- the implementation of the Remgro offer (and the potential resultant reduction in the number of subscription shares for which Remgro will be entitled to subscribe),

allot and issue up to 133 333 334 new ordinary shares to Remgro, at an issue price of R15.00 per share.

The subscription price represents a premium of 8.8% to the 30 trading day volume weighted average price of Grindrod ordinary shares up to and including 19 August 2011, which was the day prior to the release on SENS of the cautionary announcement relating to the transaction.

Remgro has, in terms of the subscription agreement, committed to offer qualifying Grindrod ordinary shareholders the right to subscribe, *pro rata* to their Grindrod shareholding, for the subscription shares in Remgro's stead. This offer is being made by Remgro to Grindrod ordinary shareholders. The details of how the Remgro offer will be implemented are set out in paragraph 2.2.

2.2 The Remgro offer

In terms of the subscription agreement, Remgro has irrevocably undertaken, subject to the fulfilment or waiver of the conditions precedent set out in paragraph 2.7, to offer qualifying Grindrod shareholders the non-renounceable right to subscribe for the subscription shares in its stead, *pro rata* to their existing holding of ordinary shares on the Remgro offer record date.

Qualifying Grindrod shareholders will be entitled to:

- subscribe for 28.6657 subscription shares for every 100 ordinary shares held on the Remgro offer record date in Remgro's stead at the subscription price, provided that any fractions of ordinary shares that may result from such subscription will be rounded up or down to the nearest whole number; and
- accept the Remgro offer in respect of all or part of their Remgro offer entitlement. Qualifying Grindrod shareholders will not be entitled to accept the Remgro offer in respect of more than their Remgro offer entitlement.

Further details of the Remgro offer (together with a table of entitlements and a form of acceptance and payment instruction (*green*)) are set out in the section which is attached to this circular.

The Remgro offer is being made directly by Remgro to qualifying Grindrod shareholders.

2.3 Rationale for the transaction

2.3.1 Grindrod's strategic positioning

Grindrod's business principally involves the movement of cargo by road, rail, sea and air through integrated logistics services utilising specialised assets and infrastructure. Grindrod's service offerings are provided by four operating divisions, namely: Shipping, Freight Services, Trading and Financial Services. With a 100-year heritage, Grindrod is a global business represented in 24 countries.

Grindrod's communicated strategy is to further diversify its portfolio of businesses, with the focus being the development of the group's strategically positioned port and terminal assets. The group's ability to offer end-to-end supply chain services continues to be a key competitive advantage.

Grindrod's timely investment in capacity expansion has resulted in a track record of value creation. Grindrod's investment focus continues to be in strategic growth areas where demand is expected to exceed supply. In line with the group's communicated strategy, Grindrod is seeking to accelerate the group's pipeline of strategic capital projects in Southern Africa, in particular the next planned phase (phase 4) of the Maputo Coal Terminal. This capital expenditure programme will require in excess of R10 billion over the next five years. Whilst Grindrod plans to make a substantial investment in the group's port, terminal and rail capacity, it will also continue to strategically invest in its other businesses. Grindrod targets a minimum 15% return on ordinary shareholders' funds for all new investments.

Grindrod's strong balance sheet has historically afforded the group ample flexibility to make identified capacity investments and respond to opportunities as and when required. The execution of the group's capital expenditure programme will however require substantial debt funding over the next five years. The transaction will support Grindrod's funding plans through to 2016 and allow the group to commence authorising new capital projects and commitments from the fourth quarter of the 2011 financial year. In the short-term, the proceeds from the transaction will be used to reduce existing gearing resulting in interest savings for the group. Importantly, Grindrod will retain adequate financial flexibility and agility to respond to new opportunities as and when they arise.

2.3.2 Remgro as a strategic partner

Remgro is a South African investment holding company, listed on the JSE with a market capitalisation of approximately R60 billion. Its interests consist of investments in financial services, healthcare, mining, petroleum products, food, wine and spirits, media, technology and various other trade-mark products.

Remgro's activities are concentrated mainly on the management of investments and the provision of strategic support rather than on being involved in the day-to-day management of the business units of investee companies. Operating subsidiaries comprise listed and unlisted companies with independent boards of directors on which Remgro has non-executive representation. Other investments comprise both listed and unlisted companies not controlled by Remgro and which are mostly associated companies due to significant influence and board representation.

Remgro invests in businesses that can deliver superior earnings and dividend growth over the long term. This involves the acquisition of meaningful interests in companies in order to have significant influence. Sound management and the ability to generate strong cash returns and growth are important investment criteria. Remgro forges strategic alliances on a partnership basis and endeavours to add value where possible.

In addition to the transaction facilitating Grindrod's ability to fund its capital expenditure programme, the transaction will see the group introducing a strong and supportive shareholder with strategic insights, global technical competence, significant financial resources and the capacity to efficiently raise capital. Remgro has a reputation of being a long-term, committed shareholder.

2.3.3 Rationale for Remgro

Remgro believes that Grindrod is an attractive investment opportunity in the shipping and infrastructure related sectors. Grindrod will give Remgro exposure to industries with strong growth prospects and good "through the cycle" returns. Grindrod has a strong and highly experienced management team with a track record of taking long term investment decisions and delivering strong profitability.

2.4 Lock-up and disposal of subscription shares

If, pursuant to the transaction, Remgro holds 7.5% or more of the ordinary shares of Grindrod, Remgro shall not, subject to certain conditions, sell, transfer or otherwise dispose of all or any of the subscription shares prior to the expiry of a period of 18 months following the settlement date, without the prior written consent of Grindrod. In the event that Remgro proposes to sell, transfer or otherwise dispose of any or all of the subscription shares after expiry of the lock-up period, Remgro will notify the board in writing in advance of such transaction, in order that Grindrod and Remgro can cooperate to ensure the subscription shares that are the subject of the transaction are disposed of in an orderly fashion.

2.5 Board representation

The board will appoint one non-executive director nominated in writing by Remgro, to the Grindrod board with effect from the settlement date. In terms of Grindrod's Memorandum of Incorporation, such appointment will have to be confirmed at Grindrod's next annual general meeting.

2.6 Irrevocable undertakings

The Grindrod Family has irrevocably undertaken to vote in favour of the ordinary resolutions to be proposed at the general meeting and to not accept the Remgro offer. Assuming that no qualifying Grindrod shareholders accept the Remgro offer, Remgro will acquire, as a result of the transaction, a shareholding equal to 22.3% of the post-issue ordinary share capital of Grindrod immediately post-implementation of the transaction. Should, however, all qualifying Grindrod shareholders, with the exclusion of the Grindrod Family, accept the Remgro offer, Remgro will acquire, as a result of the transaction, a shareholding equal to 4.5% of the post-issue ordinary share capital of Grindrod immediately post-implementation of the transaction.

2.7 Conditions precedent

The transaction is subject to the fulfilment (or waiver, where applicable in terms of the subscription agreement), of the following conditions precedent:

- 2.7.1** Grindrod ordinary shareholders passing an ordinary resolution in general meeting giving general authority to the board to allot and issue the subscription shares in accordance with the terms of the subscription agreement;
- 2.7.2** Grindrod shareholders passing an ordinary resolution by a 75% majority giving specific authority in terms of paragraph 5.51(g) of the Listings Requirements to allot and issue the subscription shares in accordance with the terms of the subscription agreement;
- 2.7.3** the JSE confirming in writing that it has approved Grindrod's application for a listing of the subscription shares to be issued by Grindrod in terms of the transaction; and
- 2.7.4** no material adverse change having occurred. In order for the condition to be fulfilled, the occurrence of a material adverse change must be notified by Remgro to Grindrod prior to the general meeting referred to in paragraph 3.

3. GENERAL MEETING

The general meeting will take place at 10:00 on Monday, 24 October 2011 at the registered office of the Company, 115 Margaret Mncadi Avenue, Durban, 4001, to consider and if deemed fit to pass, with or without modification, the ordinary resolutions necessary to effect the transaction.

In terms of the Listings Requirements, a 75% majority of votes of all ordinary shareholders present or represented by proxy at the general meeting must be obtained in respect of the ordinary resolution to approve the specific issue. Ordinary shares held by subsidiary companies of Grindrod as treasury shares do not carry any voting rights and therefore will not be eligible to vote at the general meeting or to participate in the Remgro offer. In terms of the Section 5.51 (g) of the Listings Requirements, the votes attaching to any ordinary shares held by Remgro or its associates on the record date, will be excluded from voting on the ordinary resolution to approve the specific issue.

A notice convening the general meeting and a form of proxy (*blue*), for use by certificated shareholders and own name dematerialised shareholders holding ordinary shares, is attached to and forms part of this circular.

The preference shareholders in Grindrod are entitled to attend the general meeting but are not entitled to vote thereat.

4. OPINIONS AND RECOMMENDATIONS

The board has considered the terms and conditions of the transaction and is of the opinion that the transaction is in the best interests of all key stakeholders and will be to the long-term benefit of Grindrod shareholders. Accordingly, the board recommends that Grindrod shareholders vote in favour of the resolutions relating to the transaction at the general meeting.

All the directors of Grindrod who own Grindrod ordinary shares in their own right intend to vote in favour of the transaction.

It is recommended that shareholders consult their professional advisers regarding the action to be taken in relation to the transaction.

5. SALIENT INFORMATION IN RESPECT OF GRINDROD

5.1 Incorporation of Grindrod

Grindrod was incorporated in Pretoria, South Africa on 19 October 1966.

Nature of Grindrod's business

Grindrod is the holding company of a dynamic organisation with 100 years' experience in freight movement, providing total logistics solutions for its customers. Listed in South Africa, with its head office in Durban, Grindrod is a global business with representation in 24 countries. Given its South African origins, Grindrod is uniquely positioned to serve African trade flows, with regional and international focus on dry-bulk and liquid bulk commodities, containerised cargo and vehicles. Grindrod employs approximately 5 000 skilled and dedicated people.

Divisions:

The group operates through four divisions, namely Shipping, Freight Services, Trading and Financial Services.

Shipping

The Shipping division's modern fleet of vessels trade globally under the banners of Singapore-headquartered Island View Shipping ("IVS") and Unicom Shipping ("Unicom"). IVS operates a diversified fleet of modern ships including: Capesize, Panamax, Handymax and Handysize bulk vessels shipping dry-bulk cargo such as minerals, coal, ores and agricultural products. Unicom's modern fleet of product and chemical tankers ships liquid chemicals and petroleum products world-wide. Bunker tankers provide physical supply of bunkers to ships in strategic locations such as Dunkirk, the English Channel, Rotterdam, the Thames, Cape Town and Durban.

Freight Services

The Freight Services offering is designed to provide the integrated movement of dry bulk, liquid bulk, containerised cargo and vehicles along specific import/export corridors. With a focus on these specific cargo types, the operations provide road transportation, rail, port operations, terminals, inter-modal solutions, warehousing, storage, stevedoring, sea freight, ships agency services and all facets of traditional logistics, including international freight forwarding, contract logistics and specialised industry solutions.

Trading

The Trading division trades world-wide in dry and liquid bulk commodities, including agricultural products, mineral commodities and marine fuels. The businesses in the division, Atlas Trading and Shipping, Oreport and Cockett Marine Oil, source and market the commodities providing complete supply-chain management.

Financial Services

Grindrod Bank is an investment bank offering an extensive range of financial services to private, corporate and institutional investors. Core services include: asset management, corporate banking, cash management, property finance and structured lending, corporate finance and card issuing services.

5.2 Opinion of directors as to the prospects of the business

With the ongoing demand for global commodities Grindrod continues to experience high volumes and demand for its services.

The oversupply of ships continues to abate with increasing commodity demand and new buildings slippage and cancellations. The disparity over most sectors should correct over the next two years. Shipping earnings are likely to be depressed in the near term.

Investment in the development and operation of logistics and terminal assets enables the flow of commodities. Freight Services earnings continue to improve with increased capacity, utilisation and supply chain efficiencies.

The Trading businesses continue to trade in well-defined products and markets. With the ongoing disintermediation in the supply chain, focus on supply chain participation has resulted in the businesses investing in origination assets. Trading margins are expected to improve with these investments.

The range of niche service offerings continues to be developed in Financial Services. Accordingly, whilst the cost to income ratio will remain high relative to other banks in the short-term, returns from the Financial Services business are expected to grow.

The equity injection from the transaction is required to support the group's significant capital expenditure programme. The board's consideration of capital expenditure projects is informed by, *inter alia*, the project lead times which affect short-term earnings and the group's objective of a 15% return on ordinary shareholders' funds.

The board is of the opinion that the group has good long-term prospects which will be enhanced through the pipeline of capital projects and will further improve with the return to equilibrium in shipping markets.

5.3 Share capital

The authorised and issued share capital of Grindrod, before and after the implementation of the transaction, is as follows:

Before the specific issue	R'000
<i>Authorised</i>	
2 750 000 000 ordinary shares of 0.002 cent each	55
20 000 000 cumulative, non-redeemable, non-participating and non-convertible preference shares of 0.031 cent each	6
<i>Issued</i>	
465 131 980 ordinary shares of 0.002 cent each	9
7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares of 0.031 cent each	2
Share premium	29 029
Total issued share capital and share premium	29 040

After the specific issue	R'000
<i>Authorised</i>	
2 750 000 000 ordinary shares of 0.002 cent each	55
20 000 000 cumulative, non-redeemable, non-participating and non-convertible preference shares of 0.031 cent each	6
<hr/>	
<i>Issued</i>	
598 465 314 ordinary shares of 0.002 cent each	12
7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares of 0.031 cent each	2
<hr/>	
Share premium	2 011 526
<hr/>	
Total issued share capital and share premium	2 011 540

9 179 348 ordinary shares are held by a subsidiary of Grindrod, therefore the number of ordinary shares in issue, net of treasury shares was 455 952 632 as at 30 June 2011 (589 285 966 after the specific issue of shares).

There have been no alterations to the authorised share capital for the three years preceding the date of this circular. The details of the alterations to the issued share capital of the Company for the three years preceding the date of this circular are summarised below:

Date	Receiving party	Number of shares issued	Closing balance	Nature of share	Description
2008	Directors and senior management	3 520 000	459 431 980	Ordinary	Options exercised in terms of the share option scheme
2009	Directors and senior management	3 950 000	463 381 980	Ordinary	Options exercised in terms of the share option scheme
2010	Directors and senior management	1 600 000	464 981 980	Ordinary	Options exercised in terms of the share option scheme
2011	Directors and senior management	150 000	465 131 980	Ordinary	Options exercised in terms of the share option scheme

5.4 Trading history of the ordinary shares on the JSE

The trading history of the ordinary shares on the JSE is set out in Annexure D to this circular.

5.5 Major shareholders

Insofar as is known to the directors of Grindrod, on the last practicable date, the shareholders, directly or indirectly, beneficially interested in 5% or more of the issued ordinary capital of Grindrod, are as set out in the table below:

Name	Number of Ordinary shares beneficially held	Percentage shareholding
Grindrod Investments (Pty) Limited	67 322 864	14.5
Government Employees Pension Fund	56 564 749	12.2
Total	123 887 613	26.7

Upon implementation of the transaction, and assuming no one accepts the Remgro offer, the shareholders, directly or indirectly, beneficially interested in 5% or more of the issued ordinary share capital of Grindrod, will be as set out in the table below:

Name	Number of ordinary shares beneficially held	Percentage shareholding
Remgro Limited	137 994 056*	23.1
Grindrod Investments (Pty) Limited	67 322 864	11.3
Government Employees Pension Fund	56 564 749	9.5
Total	261 881 669	43.9

* Includes 4 660 722 ordinary shares acquired by Remgro in the open market during the period 22 August 2011 to 19 September 2011.

6. INFORMATION RELATING TO THE DIRECTORS AND SENIOR MANAGEMENT OF GRINDROD AND ITS MAJOR SUBSIDIARIES

6.1 Directors' details

Name and age	Business address	Designation	Principal activities performed in the Grindrod Group (including activities performed outside the Grindrod Group where these are significant with respect to the group)
A K Olivier (51)	Quadrant House 115 Margaret Mncadi Avenue Durban 4001	Group chief executive officer	Alan was employed in 1986 in the Shipping division and held senior treasury and financial positions before his appointment as chief executive of Unicorn Shipping in 1995. Alan is a director of local and international subsidiary companies, including Grindrod Bank Limited and is deputy chairman of The United Kingdom Mutual Steamship Assurance Association (Bermuda) Limited.
D A Polkinghorne (47)	1 st Floor North 20 Kingsmead Boulevard Kingsmead Office Park Durban 4001	Chief executive officer – Financial Services	Managing director of Grindrod Bank Limited and executive director of all the Financial Services companies. Director of various outside companies where he is involved in the audit, risk and remuneration committees and trustee of two large charitable trusts which require asset management input. David has been involved in the financial services sector for more than 20 years. He has had exposure to all areas of corporate and investment banking and, in particular, has extensive experience in commercial property finance, private equity and corporate finance.
D A Rennie (50)	Grindrod House 1108 Margaret Mncadi Avenue Durban 4001	Chief executive officer – Ports and Terminals	Director of major local and international subsidiaries and associates, including Ocean Africa Container Lines (Pty) Limited, Oil Tanking Grindrod Calulo (Pty) Limited and Baobab Holdings Limited. Chairman of Maputo Port Development Company and Grindrod Mauritius Limitada. Dave is the current chief executive officer of Grindrod (South Africa) (Pty) Limited, which houses the group's BEE business. He was employed in 1978 and has diverse port, terminal and freight logistics experience.

Name and age	Business address	Designation	Principal activities performed in the Grindrod Group (including activities performed outside the Grindrod Group where these are significant with respect to the group)
A F Stewart (47)	Quadrant House 115 Margaret Mncadi Avenue Durban 4001	Chief executive officer – Trading	Director of major local and international subsidiary companies within the group. Tony was employed in 2000 as financial manager of Unicorn Shipping and was appointed as group financial manager in 2002, prior to his appointment as group financial director. Tony took over the executive responsibility of the Trading division from Brendan McIlmurray when he retired in June 2011.
A G Waller (49)	Quadrant House 115 Margaret Mncadi Avenue Durban 4001	Financial Director	Previously a partner of Deloitte & Touche, Andrew has 15 years' public practice experience.
I A J Clark (67)	Block 3, Suite 6 Rydall Vale Office Estate La Lucia Ridge 4019	Non-executive chairman	Chairman of Grindrod Bank Limited. Ivan was employed by the group in 1977 and held various senior financial and executive positions in the Shipping division. He served as group chief executive officer from 1999 to 2006, after which he was appointed deputy chairman of the group. He was appointed chairman on the retirement of W M Grindrod in 2007. Ivan is also the non-executive chairman of Chemical Specialities Limited.
H Adams (59)	Triangle House 22 Riebeeck Street Cape Town 8001	Independent non-executive director	Chairman of Grand Parade Investments Limited, SunWest International (Pty) Limited, Table Bay Hotel, GrandWest Casino, Consulting Engineers and Proman Project Managers. Hassen is a consulting engineer and has diversified business interests in engineering, project management, leisure, gaming and property developments.
M R Faku (44)	Tumberry Office Park Platinum Place 48 Grosvenor Road Bryanston 2191	Non-executive director	Group executive chairman and founder of Calulo Investments (Pty) Limited. Calulo has a 15% equity interest in Grindrod (South Africa) (Pty) Limited. Mkhuseleli has extensive experience in the South African oil industry and has served on the boards of the South African Petroleum Industry Association, African Minerals and Energy Forum and World Petroleum Congress (South Africa). He is a non-executive director of Grindrod (South Africa) (Pty) Limited and a director of various Calulo subsidiaries.

Name and age	Business address	Designation	Principal activities performed in the Grindrod Group (including activities performed outside the Grindrod Group where these are significant with respect to the group)
W D Geach (56)	Graduate School of Business University KZN Westville Campus 3629	Independent non-executive director	Non-executive director of Grindrod Bank Limited. Walter is an Advocate of the High Court of South Africa and a senior professor and Fellow of the University of KwaZulu-Natal. His areas of specialisation are Financial Accounting, Taxation, Corporate Governance, Business Law and Financial Services. He previously served on the tax committee of The South African Institute of Chartered Accountants KZN and was a technical committee member of the South African Institute of Professional Accountants (SAIPA).
I M Groves (66)	Building Three First Floor North Wing Commerce Square 39 Rivonia Road Sandton 2196	Lead independent non-executive director	Non-executive director of Grindrod Bank Limited and Value Group Limited. Mike was managing director of the group from 1986 to 1999 and has many years experience in the shipping industry and in and in the role as a non-executive director of listed companies.
M J Hankinson (62)	c/o Grindrod Quadrant House 115 Margaret Mncadi Avenue Durban 4001	Independent non-executive director	Chairman of the Spar Group Limited and Brandcorp Holdings (Pty) Limited. Non-executive director of Illovo Sugar Limited. Mike is a former chief executive of Dunlop Tyres International (Pty) Limited and Romatex Limited.
S D M Zungu (44)	1st Floor, Block B Cullinan Place Cullinan Close Morning side Sandton 2196	Independent non-executive director	Chairman of Alease Gold Limited and non-executive director of Uranium One Africa Limited. Member of the Presidential Advisory Council on Broad-based Black Economic Empowerment and previous director of Barnard Jacobs Mellett Holdings Limited. Sandile established Zungu Investments Company (Pty) Limited in 2000.
M R Wade* (52)	200 Cantonment Road # 03-01 Southpoint Singapore 089763	Chief executive officer – Shipping	Director of major international subsidiary companies. Martyn has 32 years' international shipping experience and has worked for shipowners, operations and brokers. He was a member of the original Baltic Exchange for 10 years. Martyn is a member of the executive committee.
H J Gray* (42)	Pinmill Farm 164 Katherine Street Sandton 2196	Chief executive officer – Logistics	Director of major local subsidiary companies. Hylton has over 15 years' freight forwarding experience. Hylton is a member of the executive committee.

* Directors/Senior managers of major subsidiaries.

6.2 Directors' remuneration

There will be no variation in the remuneration to be received by any of the directors as a consequence of the transaction.

6.3 Directors' interests in securities

At the last practicable date, the directors and their associates (as defined in terms of the Listings Requirements), including directors who have retired/resigned in the last 18 months, had the following direct and indirect beneficial interests in the ordinary share capital of the Company:

Director	Indirect	Total number of ordinary shares held	Percentage of issued ordinary share capital
I A J Clark	5 719 900	5 719 900	1.23
I M Groves	1 298 947	1 298 947	0.28
M J Hankinson	16 000	16 000	0.00
T J T McClure (<i>retired 31 July 2010</i>)	1 306 068	1 306 068	0.28
A K Olivier	1 634 250	1 634 250	0.35
D A Rennie	750 000	750 000	0.16
A F Stewart	782 050	782 050	0.17
L R Stuart-Hill (<i>resigned 30 June 2011</i>)	8 500	8 500	0.00

The interests of the directors have changed from the financial year ended 31 December 2010, to the date of this circular.

6.4 Interests of directors in contracts

The directors, including directors who have retired/resigned in the last 18 months, have had no direct or indirect interest in any transaction that the Company effected during the current or immediately preceding year, or in an earlier financial year which remain in any respect outstanding or unperformed.

7. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The table below sets out the *pro forma* financial effects of the transaction on the earnings, headline earnings, net asset value and net tangible asset value per ordinary share of Grindrod based on the unaudited financial statements of Grindrod for the six months ended 30 June 2011. The financial effects are the responsibility of the directors of Grindrod and are prepared for illustrative purposes only and, because of their nature, may not fairly present the financial position of Grindrod, changes in its equity or the results of its operations or cash flows after the transaction.

The *pro forma* financial effect of the transaction is reflected as a reduction of 23% in earnings per share and headline earnings per share. The only effect on earnings per share and headline earnings per share in these calculations arises as a consequence of the increased number of ordinary shares in issue. The calculation does not take into account the potential benefits arising from the transaction, including the potential increase in earnings from the Company's capital expenditure plans or potential interest savings from reduced borrowings.

The unaudited *pro forma* statements of comprehensive income and financial position are set out in Annexure A to this circular. The report by the independent reporting accountants regarding these financial effects is reproduced in Annexure B to this circular.

Per ordinary share	Notes	Before the transaction	After the transaction	Change percentage
Earnings (cents)	(1), (4)	60.8	47.1	(23)
Headline earnings (cents)	(1), (4)	55.7	43.1	(23)
Net asset value (Rand)	(2)	13.6	13.9	2
Net tangible asset value (Rand)	(2)	11.4	12.2	7
Number of shares ('000)	(3)	455 953	589 286	

Notes:

1. The amounts in the "Before the transaction" column represent the headline earnings per share as disclosed in the published unaudited interim financial results for the six months ended 30 June 2011. The amounts in the "After the transaction" column represent the headline earnings and earnings per share after the transaction based on the assumption that the transaction was effective 1 January 2011.
2. The amounts in the "Before the transaction" column represent the net asset value and net tangible asset value per share as disclosed in the published unaudited interim financial results for the six months ended 30 June 2011. The amounts in the "After the transaction" column represent the net asset value and net tangible asset value per share based on the unaudited financial results for the six months ended 30 June 2011, adjusted for the transaction had it been effected on 30 June 2011.
3. The adjustments are based on 455 952 632 (net of treasury shares) ordinary shares in issue before the transaction and 589 285 966 (net of treasury shares) ordinary shares in issue after the transaction.
4. No adjustments have been made for interest earned on the proceeds of the transaction, as per the "Guide on *pro forma* financial information" issued by The South African Institute of Chartered Accountants. Accordingly, the only effect on earnings per share and headline earnings per share is as a consequence of the increased number of ordinary shares used in the calculation thereof, as no account is taken of the benefits arising from the increased capital available to the group as a result of the transaction.
5. Once-off transaction costs of R17 500 000 (exclusive of VAT) will be debited against the share premium account.
6. There are no material post-balance sheet or subsequent events which require adjustment in terms of IFRS or in respect of previously published financial effects or in respect of any post-balance sheet corporate action and, accordingly, no adjustment has been made to the financial effects.

8. MATERIAL CHANGES

There have been no material changes in the financial or trading position of Grindrod and its subsidiaries between the end of the six-month period ended 30 June 2011, for which Grindrod has published unaudited interim results, and the last practicable date.

9. EXPENSES

There have been no preliminary expenses incurred by Grindrod in the three years immediately preceding the date of this circular.

The expenses, excluding VAT, relating to the transaction are detailed below and relate, *inter alia*, to:

		R'000
Computershare Investor Services (Proprietary) Limited	Transfer secretaries	40
Deloitte & Touche	Reporting Accountants	100
Deutsche Securities (SA) (Proprietary) Limited	Lead Financial Adviser and Independent Sponsor	15 000
Garlicke & Bousfield Inc.	Legal Adviser	150
Grindrod Bank Limited	Joint Financial Adviser and Sponsor	1 500
Ince (Proprietary) Limited	Printing, publication and distribution expenses	148
JSE Limited	Listing fees in respect of the subscription shares and JSE documentation inspection fees	298
Other		264
Total		17 500

10. LITIGATION AND LEGAL PROCEEDINGS

At the last practicable date there were no legal or arbitration proceedings (including proceedings which are pending or threatened) of which the Grindrod directors are aware, which may have or have had during the 12 months preceding the date of this circular, a material effect on the Company and the group's financial position.

11. CORPORATE GOVERNANCE

The Company strives to maintain and enhance sound governance standards through constant review of current and emerging trends. The release of King III reflected South Africa's commitment to world-class principles and guidelines on corporate governance and the company secretary's focus remains on ensuring that the board and group adheres to the highest corporate governance procedures and that directors act in line with their governance and fiduciary responsibilities. Refer to Annexure C for the corporate governance framework of the Company.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out on page 9 of this circular, insofar as any information in this circular relates to Grindrod, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law and the Listings Requirements.

13. CONSENTS

The Lead Financial Adviser and Independent Sponsor to Grindrod, Joint Financial Adviser and Sponsor to Grindrod, Legal Adviser to Grindrod, Reporting Accountants to Grindrod, transfer secretaries, Financial Adviser and Sponsor to Remgro and Legal Adviser to Remgro, have given and have not, prior to the last practicable date, withdrawn their written consents to the inclusion of their names and, where applicable, their reports in the form and context in which they appear in this circular.

The reporting accountants have given and have not withdrawn their consent to the issue of this circular, with their reports in the form and context in which they are included.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents in relation to Grindrod and where applicable, its subsidiaries will be available for inspection at the Company's registered office and the office of the Joint Financial Adviser and Sponsor to Grindrod, whose details are set out in the 'Corporate information and advisers' section of this circular during normal business hours from Monday, 26 September 2011 to Monday, 24 October 2011:

- the Memoranda of Incorporation of Grindrod and all of its subsidiaries;
- the subscription agreement;
- the irrevocable undertakings referred to in paragraph 2.6;
- the material contracts of the Company;
- the audited annual financial statements of Grindrod for the financial years ended 31 December 2010, 31 December 2009 and 31 December 2008;
- the unaudited interim results of Grindrod for the six months ended 30 June 2011;
- the *pro forma* financial effects and statements of comprehensive income and financial position for the six months ended 30 June 2011 prepared in terms of IFRS as set out in Annexure A to this circular;
- the Reporting Accountants' Assurance Report on the *pro forma* financial effects and statements of comprehensive income and financial position as set out in Annexure B to this circular;
- the consent letters referred to in paragraph 13;
- a summary of the directors' service contracts entered into during the last three years; and
- a signed copy of this circular.

By order of the board

GRINDROD LIMITED

A K Olivier

Group Chief Executive Officer

Monday, 26 September 2011

Registered office

Quadrant House
115 Margaret Mncadi Avenue
Durban, 4001
(PO Box 1, Durban, 4000)

UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

The *pro forma* financial information set out below is the responsibility of the directors of Grindrod and is prepared for illustrative purposes only to illustrate the effects of the transaction on its financial position. Due to the nature of the *pro forma* financial information, it may not fairly present the financial position of Grindrod, its changes in equity or the results of its operations or cash flows after the transaction. An independent reporting accountants' assurance report on the *pro forma* financial information is included in Annexure B.

The unaudited *pro forma* financial information has been compiled using accounting policies that are consistent with those applied in the audited consolidated financial statements of Grindrod for the year ended 31 December 2010 and for the six months ended 30 June 2011.

The adjustments relate to the specific issue of 133 333 334 ordinary shares in Grindrod to Remgro for a cash consideration of R15.00 per share and, the estimated costs of the transaction, being R17 500 000 (exclusive of VAT) which are to be debited against the share premium account. There are no material post-balance sheet or subsequent events which require adjustment in terms of IFRS or in respect of previously published financial effects or in respect of any post-balance sheet corporate action and, accordingly, no adjustment has been made to the financial effects.

Pro forma consolidated condensed statement of comprehensive income

	(1) Actual before the transaction 30 June 2011 R'000	Adjustments R'000	Notes	(2) Pro forma after the transaction 30 June 2011 R'000
Revenue	17 776 495			17 776 495
Trading profit	589 100			589 100
Depreciation and amortisation	(182 498)			(182 498)
Operating profit before interest and taxation	406 602			406 602
Non-trading items	23 577			23 577
Interest received	72 797			72 797
Interest paid	(121 823)			(121 823)
Profit before share of associates' profit	381 153			381 153
Share of associate companies' profit before taxation	27 750			27 750
Profit before taxation	408 903			408 903
Taxation	(95 415)			(95 415)
Profit for the period	313 488			313 488
<i>Attributable to:</i>				
Ordinary shareholders	277 353			277 353
Preference shareholders	26 413			26 413
Owners of the parent	303 766			303 766
Non-controlling interests	9 722			9 722
	313 488			313 488
Number of ordinary shares in issue (net of treasury shares) as at 30 June 2011 ('000)	455 953	133 333	(3)	589 286
Weighted average number of ordinary shares in issue on which earnings per share are based at 30 June 2011 ('000)	455 930	133 333	(3)	589 263
Headline earnings per share (cents)	55.7			43.1
Earnings per share (cents)	60.8			47.1
Net asset value per share (Rand)	13.6		(4)	13.9
Net tangible asset value per share (Rand)	11.4		(4)	12.2

Pro forma consolidated condensed statement of financial position

	(1) Actual before the transaction 30 June 2011 R'000	Adjustments R'000	Notes	(2) Pro forma after the transaction 30 June 2011 R'000
ASSETS				
Non-current assets	7 475 768	–		7 475 768
Ships, property, terminals, vehicles and equipment	5 722 369			5 722 369
Intangible assets	854 348			854 348
Deferred taxation assets	161 467			161 467
Investments	496 311			496 311
Derivative financial assets	241 273			241 273
Loans and advances to bank customers	2 059 514			2 059 514
Liquid assets and short-term negotiables	105 359			105 359
Current assets	6 552 316	1 982 500		8 534 816
Inventories	895 605			895 605
Trade and other receivables	3 990 850			3 990 850
Short-term loans	382 103			382 103
Bank balances and cash	1 283 758	1 982 500		3 266 258
Total assets	16 192 957	1 982 500		18 175 457
EQUITY AND LIABILITIES				
Capital and reserves	6 204 507	1 982 500		8 187 007
Share capital and premium	66 621	1 982 500	(3),(5)	2 049 121
Non-distributable reserves	(216 040)			(216 040)
Retained income	6 258 294			6 258 294
Non-controlling interests	95 632			95 632
Non-current liabilities	1 914 570	–		1 914 570
Interest bearing borrowings	1 688 417			1 688 417
Post-retirement medical aid	50 287			50 287
Provisions	15 199			15 199
Derivative financial liabilities	23 991			23 991
Deferred taxation liabilities	136 676			136 676
Deposits from bank customers	2 623 823			2 623 823
Current liabilities	5 450 057	–		5 450 057
Trade and other payables	2 984 939			2 984 939
Short-term borrowings and overdraft	2 067 752			2 067 752
Current portion of interest bearing borrowings	397 366			397 366
Total equity and liabilities	16 192 957	1 982 500		18 175 457

Pro forma reconciliation of changes in shareholders' equity

	(1) Actual before the transaction 30 June 2011 R'000	Adjustments R'000	Notes	(2) Pro forma after the transaction 30 June 2011 R'000
Share capital	11	3		14
Share premium	29 029	1 982 497	(3),(5)	2 011 526
Equity compensation reserve	37 581			37 581
Non-distributable reserve	(216 040)			(216 040)
Accumulated profit	6 258 294			6 258 294
Non-controlling interests	95 632			95 632
Shareholders' equity	6 204 507	1 982 500		8 187 007

Notes:

1. The "Actual before the transaction" column is the actual published financials for the six months ended 30 June 2011.
2. The *pro forma* "After the transaction" column has been prepared on the assumption that the transaction was effective on 30 June 2011.
3. The share premium arises from the specific issue of 133 333 334 ordinary shares for cash at R15.00 per share as reflected in paragraph 2.1.
4. The "after" net asset value and net tangible asset value are calculated on 589 285 966 (net of treasury shares) ordinary shares in issue.
5. Once-off transaction costs of R17 500 000 (exclusive of VAT) will be debited against share premium.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE PRO FORMA FINANCIAL INFORMATION

"The Board of Directors
Grindrod Limited
2nd Floor, Quadrant House
115 Margaret Mncandi Avenue
Durban, 4001

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF GRINDROD LIMITED

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in paragraph 7 and Annexure A to the circular, dated on or about 26 September 2011, issued in connection with the specific issue of shares to Remgro Limited that is the subject of this circular of Grindrod Limited. The *pro forma* financial information has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the specific issue of shares to Remgro Limited might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Directors' responsibility

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Grindrod Limited; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular to Grindrod Limited's shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by SAICA.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Grindrod Limited, the issuer, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the Company in respect of the corporate actions that are the subject of the circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Grindrod Limited and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing* or *International Standards on Review Engagements* and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of the issuer;
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed in terms of Sections 8.17 and 8.30 JSE Listings Requirements.

DELOITTE & TOUCHE

Per **R Ebrahim**

Registered Accountant and Auditor

Chartered Accountant (SA)

2 Pencarrow Crescent
La Lucia Ridge Office Estate
La Lucia Ridge, 4051

21 September 2011

National Executive: G G Gelink *Chief Executive*, A E Swiegers *Chief Operating Officer*, G M Pinnock *Audit*, D L Kennedy *Risk Advisory & Legal Services*, N B Kader *Tax*, L Geeringh *Consulting*, L Bam *Corporate Finance*, J K Mazzocco *Human Resources*, C R Beukman *Finance*, T J Brown *Chairman of the Board*, M J Comber *Deputy Chairman of the Board*.

A full list of partners and directors is available on request."

CORPORATE GOVERNANCE REPORT

Introduction

The Grindrod Group has enhanced its good corporate governance standards and continues to review and implement current and emerging trends, both locally and internationally.

The board subscribes to the principles and code of conduct incorporated in King III and the Listings Requirements and an “apply or explain” approach has been initiated in this report.

Grindrod is committed to the integrated principles of King III and acknowledges the journey towards an appropriate standard of reporting. Plans are in place to develop an integrated strategy to achieve this objective.

Board of directors

The board comprised 12 directors at 31 August 2011. Of this complement, seven are non-executive of which five are considered independent.

The role of the board is regulated in a formal board charter which defines matters reserved for board approval. The responsibilities of the board are set out in the charter and the board is required to annually review its operations against the charter framework.

The charter is available on the group’s website.

The quorum for board meetings is eight directors however, with meetings planned well in advance, full attendance is expected. The board meets a minimum of four times a year and additional meetings are held when considered necessary. In assuming ultimate responsibility for effective control and leadership of the group, the board takes responsibility for the following:

- Compliance with all relevant laws, regulations and codes of business practice;
- Definition of levels of materiality, reserving specific powers to itself and delegating other matters to executive management in terms of a limits of authority framework;
- Giving direction on all strategic matters and annually approves the group business plan;
- Monitoring the implementation of the business plan by management;
- Reviewing performance of the various board committees established to assist in the discharge of its duties;
- Monitoring key risk and performance areas of the group and identifies non-financial issues relevant to the group; and
- Determining the policy and models applied to ensure the integrity of:
 - risk management and internal controls;
 - director selection, orientation and evaluation;
 - executive and general remuneration;
 - external and internal communications; and
 - ensures there is appropriate succession planning at senior management level.

The role and function of chairman and chief executive officer are separate in the Grindrod group. The chairman, I A J Clark, is a non-executive director, but is not considered independent due to his shareholding and unexercised share options which were awarded during his term as chief executive officer. In line with King III and on the recommendation of the remuneration/nomination committee, I M Groves was appointed lead independent director by the board on 17 August 2011.

The board is supplied with all relevant information and has unrestricted access to all group information, records, documents and property, which enables directors to adequately discharge their responsibilities. Information needs are well defined and non-executive directors have full access to management and the company secretary.

An induction programme is in place for new directors, which includes an induction book, consultation with each divisional executive and site visits. The cost of attending appropriate external training courses is paid by the Company.

At each annual general meeting at least one-third of the directors retire by rotation from the board. These retiring directors may offer themselves for re-election. Executive directors retire from the board at 60 or 63 years of age depending on their contracts, whilst non-executive directors retire at the annual general meeting following their 70th birthday.

The boards of directors of major local and offshore operating subsidiaries comprise executive directors and senior management. The boards of major offshore operating subsidiaries and Grindrod Bank Limited include independent non-executive directors.

The Grindrod executive committee is responsible for the operational and strategic management of the group. This team is led by the chief executive officer.

Board committees

The board has an audit committee and a remuneration/nomination committee.

Members and the chairmen of the remuneration/nomination committee are appointed by the board. The audit committee members were appointed for the first time by shareholders at the annual general meeting. The board has no separate risk committee, as this function is dealt with by the board as a whole with an annual meeting dedicated to a group risk assessment and quarterly risk updates. During the year the board reconsidered the establishment of a risk committee. It was agreed to continue with the current status and to ensure the full board are regularly kept appraised.

The full board is responsible for risk management and implementing an effective process to identify risk, measure the potential impacts and to set risk tolerance levels.

The group is in the process of appointing a social and ethics committee.

For the purposes of good governance and in compliance with South African Reserve Bank requirements, Grindrod Bank has its own board committees.

Audit committee

The group audit committee performs the role of reviewing internal controls and financial results, recommending the appointment of the external auditor and overseeing the external and internal audit processes. The committee comprises of I M Groves (*Chairman*), W D Geach and M J Hankinson. The members, who are all independent non-executive directors, are appointed by the shareholders at the annual general meeting. The audit committee must consider and satisfy itself of the appropriateness of the expertise and experience of the financial director and must confirm this by reporting to shareholders that the audit committee has executed this responsibility. The audit committee fulfils its responsibility in line with specific terms of reference and in terms of the Companies Act. The internal and external auditors have full access to the committee. The audit committee has also been mandated, in line with King III, responsibility for overseeing the implementation of integrated reporting and verification procedures. The committee approves all non-audit services contracts with Deloitte & Touche.

This will also involve the further development of a combined assurance model.

The audit committee meets at least three times a year and has implemented the practice of meeting with internal and external auditors without management present.

Remuneration/Nomination committee

The board has a remuneration/nomination committee to assist in governance matters related to executive remuneration, succession planning and identification of suitable candidates to serve on the board. The committee comprises M J Hankinson (*Chairman*), I A J Clark and I M Groves. The members, who are all non-executive directors, are appointed by the board.

Due to the functions of remuneration and nomination being combined, it is to be noted that the chairman of the board does not chair the nomination function as proposed by King III.

The remuneration/nomination committee has formal terms of reference approved by the board and is responsible for the assessment and approval of a broad remuneration strategy for the group. In particular, it reviews and agrees key performance indicators and determines the remuneration packages and incentive bonuses of the members of the executive committee, the fees for the non-executive directors and recommends the granting of share options to executive directors and senior employees. The committee is responsible for identifying and nominating candidates for approval of the board as additional directors or to fill any board vacancies when they arise, taking skills, experience and demographics into account. In addition, the committee recommends directors, who retire in terms of the Company's memorandum of incorporation, for re-election and meets twice a year.

Internal audit

The group acknowledges the importance of an independent strategically aligned internal audit function to assist the audit committee in discharging its responsibilities. Internal audit is mandated by and functions in terms of an approved charter which describes its purpose, authority and responsibilities.

The internal audit function is independent of all other organisational functions, reports directly to the audit committee and has free and unrestricted access to all areas within the group, including management, personnel, activities, locations and information.

All internal audit activities are performed in compliance with International Internal Audit practice and the methodology and standards required by the SA Institute of Internal Auditors. A formalised quality improvement plan and an independent quality review process as suggested in King III, is planned.

Systematic and thorough annual internal audit coverage plans are prepared together with management and approved by the audit committee. All businesses within the group receive adequate coverage by following a methodical risk-based audit approach.

External service providers are used for certain specialist reviews including taxation, information technology and any other assignment requiring a particular skill set.

The strategic focus of internal audit is to:

- improve risk based alignment in order to provide assurance on key risks that may prevent or effect the realisation of strategic goals;
- assist management in further developing the internal financial control framework to identify financial reporting risks and ensure controls are adequate to address the risk of material misstatements of financial results.

Information technology (IT) governance

As a result of adopting King III guidelines of governance and compliance, the board has approved an IT charter and the appointment of a chief information officer who together with the IT steering committee established in 2010, will discharge the duties of the charter.

The IT charter will ensure:

- the establishment of a sound and secure framework, taking into account internal policies, industry standards and external laws and regulations, within which all IT activities are executed;
- that the business and IT strategies are aligned and value is achieved from IT investments;
- IT services and processes are always available and agile to changing business needs;
- IT risk is identified and managed.

The IT steering committee comprises senior members of each major operating entity.

The committee meets quarterly and provides the board with direct feedback on IT governance and strategy.

Corporate Governance/King III review

Key:

- ✓ Compliant
- ★ Under review
- X Non-compliant
- # Partially compliant

Ethical leadership and corporate citizenship

Effective leadership based on an ethical foundation	✓
Responsible corporate citizen	✓
Effective management of company's ethics	✓
Assurance statement on ethics in integrated report (note 1)	★

Board and directors

The board is the focal point for and custodian of corporate governance	✓
Strategy, risk, performance and sustainability are inseparable	✓
Directors act in the best interest of the Company	✓
The chairman of the board is an independent non-executive director (note 2)	X
Framework for the delegation of authority has been established	✓
The board comprises a balance of power, with a majority of non-executive directors independent	✓
Directors are appointed through a formal process	✓
Formal induction and ongoing training of directors is conducted	✓
The board is assisted by a competent, suitably qualified and experienced Company Secretary	✓
Regular performance evaluation of the board, its committees and the individual directors	✓
Appointment of well-structured committees and an oversight of key functions (note 3)	#
An agreed governance framework between the group and its subsidiary boards (note 4)	#
Directors and executives are remunerated fairly and responsibly	✓
Remuneration of directors and certain senior executives is disclosed (note 5)	✓
The company's remuneration policy is approved by its shareholders (note 6)	✓

Audit committee

Effective and independent	✓
Suitably skilled and experienced independent, non-executive directors	✓
Chaired by an independent non-executive director	✓
Oversees integrated reporting (note 7)	#
A combined assurance model is applied to improve efficiency in assurance activities (note 8)	#
Satisfies itself of the expertise, resources and experience of the company's finance function	✓
Oversees internal audit	✓
Integral to the risk management process	✓
Oversees the external audit process	✓
Reports to the board and shareholders on how it has discharged its duties	✓

The governance of risk

The board is responsible for the governance of risk and setting levels of risk tolerance	✓
The risk committee assists the board in carrying out its risk responsibilities (note 3)	✓
The board delegates the risk management plan to management	✓
The board ensures that risk assessments and monitoring is performed on a continual basis	✓
Frameworks and methodologies are implemented to increase the probability of anticipating Unpredictable risks (note 9)	✓
Management implements appropriate risk responses	#
The board receives assurance on the effectiveness of the risk management process	✓
Sufficient risk disclosure to stakeholders	✓

The governance of information technology

The board is responsible for information technology (IT) governance (note 10)	★
IT is aligned with the performance and sustainability objectives of the Company	✓
Management is responsible for the implementation of an IT governance framework (note 10)	#
The board monitors and evaluates significant IT investments and expenditure	✓
IT is an integral part of the Company's risk management	✓
IT assets are managed effectively (note 10)	✓
The risk committee and audit committee should assist the board in carrying out its IT responsibilities (note 3)	✓

Compliance with laws, codes, rules and standards

The board ensures that the company complies with applicable laws	✓
The board and directors have a working understanding of the relevance and implications of non-compliance	✓
Compliance risk forms an integral part of the Company's risk management process	✓
The board has delegated to management the implementation of an effective compliance framework and processes	✓

Internal audit

Effective risk-based internal audit	✓
Written assessment of the effectiveness of the Company's system of internal control and risk management	✓
Internal audit is strategically positioned to achieve its objectives	✓

Governing stakeholder relationships

Appreciate that stakeholders' perceptions affect a company's reputation	✓
Management pro-actively deals with stakeholder relationships	✓
There is an appropriate balance between its various stakeholder groupings	✓
Equitable treatment of shareholders	✓
Transparent and effective communication with stakeholders	✓
Disputes are resolved effectively and timeously	✓

Integrated reporting and disclosure

The board ensures the integrity of the Company's integrated report	✓
Sustainability reporting and disclosure is integrated with the Company's financial reporting (note 11)	#
Sustainability reporting and disclosure is independently assured (note 12)	#

Note	Explanation
1.	Strong ethical culture and standard in place. However, independent assurance is planned for the current reporting period.
2.	The chairman of the board is not independent due to his shareholding and share options issued during his tenure as group chief executive officer. I M Groves was appointed lead independent director by the board on 17 August 2011.
3.	Company does not have a separate risk management committee. The board as a whole has assumed full responsibility for this function. Due to board member experience of knowledge, function considered best placed with full board. Divisional risk management oversight mechanisms are in place.
4.	The governance framework is currently being formalised.
5.	Grindrod will disclose the remuneration of the directors and executives as required by the Companies Act.
6.	The remuneration policy is subject to review for consideration in 2012 reporting period.
7.	Integrated reporting is being developed.
8.	Assurance model to be further improved.
9.	Current risk framework and methodologies implemented will be further enhanced to improve the probability of identifying unpredictable risks.
10.	The current IT governance framework and processes are currently being enhanced to ensure further alignment with King III.
11.	Sustainability and integrated reporting is being developed further.
12.	The independent external auditors provided limited assurance on certain sustainability indicators for the year ended 31 December 2010. This is being further developed for a broader assurance model going forward.

SHARE PRICE HISTORY OF GRINDROD

Daily

The highest, lowest and closing prices of Grindrod ordinary shares on the JSE for each trading day commencing from 8 August 2011 to 19 September 2011 (being the last practicable date) and the daily volume and value are as follows:

DATE (DAY)	HIGH (C)	LOW (C)	CLOSE (C)	VOLUME	VALUE (R)
19-Sep-11	1 513	1 470	1 494	401 068	5 960 983
16-Sep-11	1 534	1 475	1 514	731 353	10 999 269
15-Sep-11	1 490	1 450	1 488	172 581	2 552 455
14-Sep-11	1 489	1 470	1 489	725 748	5 956 852
13-Sep-11	1 478	1 460	1 477	725 748	10 646 591
12-Sep-11	1 465	1 425	1 465	808 248	11 781 298
09-Sep-11	1 495	1 470	1 475	160 917	2 378 734
08-Sep-11	1 500	1 465	1 499	758 810	11 336 107
07-Sep-11	1 481	1 460	1 481	752 672	11 068 623
06-Sep-11	1 458	1 445	1 458	384 054	5 581 455
05-Sep-11	1 460	1 431	1 460	263 283	3 798 867
02-Sep-11	1 504	1 465	1 475	644 912	9 588 024
01-Sep-11	1 501	1 449	1 500	544 381	8 092 348
31-Aug-11	1 464	1 439	1 460	1 698 908	24 643 861
30-Aug-11	1 450	1 425	1 450	1 515 083	21 786 625
29-Aug-11	1 450	1 425	1 434	216 424	3 112 703
26-Aug-11	1 430	1 415	1 429	384 849	5 487 783
25-Aug-11	1 425	1 405	1 417	829 914	11 720 437
24-Aug-11	1 420	1 395	1 400	736 254	10 330 187
23-Aug-11	1 416	1 390	1 400	1 072 480	15 026 025
22-Aug-11	1 410	1 305	1 400	920 933	12 729 780
19-Aug-11	1 320	1 290	1 320	341 019	4 450 823
18-Aug-11	1 380	1 317	1 333	471 370	6 329 313
17-Aug-11	1 419	1 333	1 380	1 701 168	23 614 040
16-Aug-11	1 345	1 292	1 345	713 542	9 449 643
15-Aug-11	1 374	1 323	1 334	414 833	5 553 867
12-Aug-11	1 350	1 301	1 350	455 758	6 099 651
11-Aug-11	1 345	1 272	1 340	1 334 960	17 361 751
10-Aug-11	1 374	1 250	1 350	1 476 106	19 704 487
08-Aug-11	1 380	1 325	1 335	1 160 839	2 552 455

Monthly

The highest, lowest and closing prices of the ordinary shares of Grindrod on the JSE for each month from September 2010 to August 2011 and the aggregate monthly volume and value are as follows:

DATE (MONTH ENDED)	HIGH (C)	LOW (C)	CLOSE (C)	VOLUME	VALUE (R)
Aug-11	1 450	1 250	1 400	15 689 850	214 688 556
Jul-11	1 415	1 343	1 385	22 582 345	313 951 188
Jun-11	1 451	1 375	1 395	25 528 460	362 861 677
May-11	1 510	1 276	1 430	24 276 992	340 547 003
Apr-11	1 570	1 416	1 462	11 840 863	175 347 061
Mar-11	1 551	1 404	1 483	21 447 819	314 612 387
Feb-11	1 680	1 417	1 535	21 373 406	339 794 153
Jan-11	1 939	1 571	1 610	18 961 403	336 056 582
Dec-10	1 910	1 800	1 895	9 686 974	180 170 808
Nov-10	1 901	1 684	1 801	20 012 816	366 270 693
Oct-10	1 720	1 627	1 700	13 896 711	232 543 562
Sep-10	1 681	1 514	1 680	17 540 989	273 354 413

Quarterly

The highest, lowest and closing prices of Grindrod ordinary shares on the JSE for each quarter from December 2008 to August 2010 and the aggregated quarterly volume and value are as follows:

DATE (QUARTER ENDED)	HIGH (C)	LOW (C)	CLOSE (C)	VOLUME	VALUE (R)
Aug-10	1 579	1 402	1 550	45 669 517	694 001 441
Jun-10	1 734	1 400	1 434	78 689 476	1 230 894 027
Mar-10	1 796	1 350	1 531	83 674 767	1 268 233 648
Dec-09	1 870	1 501	1 778	78 221 425	1 358 550 792
Sep-09	1 828	1 343	1 590	115 556 900	1 851 505 292
Jun-09	1 659	1 196	1 420	86 422 840	1 215 561 407
Mar-09	1 685	1 115	1 210	81 547 683	1 125 614 086
Dec-08	1 840	943	1 530	121 541 331	1 648 755 706

Source: McGregorBFA



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

NOTICE OF GENERAL MEETING

All terms defined in the circular to which this notice of general meeting is attached shall bear the same meanings in this notice of general meeting.

Notice is hereby given that a meeting of Grindrod shareholders will be held at Quadrant House, 115 Margaret Mncadi Avenue, Durban, 4001 at 10:00 on Monday, 24 October 2011 to consider and if deemed fit, to pass, with or without modification, the ordinary resolutions set out below:

ORDINARY RESOLUTION NUMBER 1

"RESOLVED THAT the directors be and are hereby authorised, as a general authority, to allot and issue 133 333 334 of the authorised unissued ordinary shares of 0.002 cent each in the capital of the Company."

In terms of section 62(3)(c) of the Companies Act, the percentage of voting rights that will be required for this ordinary resolution to be adopted is 50.1%.

ORDINARY RESOLUTION NUMBER 2

"RESOLVED THAT the directors of the Company be and are hereby authorised by way of a specific authority in terms of paragraph 5.51 of the Listings Requirements, to allot and issue 133 333 334 ordinary shares of 0.002 cent each in the capital of the Company, for a cash consideration of R15.00 per ordinary share, in terms of the subscription agreement entered into between Remgro and the Company, and that all of the ordinary shares referred to above be and are hereby placed under the control of the directors for the allotment and issue as described above."

In terms of the Listings Requirements, the percentage of voting rights that will be required for this ordinary resolution to be adopted is 75%.

ORDINARY RESOLUTION NUMBER 3

"RESOLVED THAT any director of the Company be and is hereby authorised to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of ordinary resolutions numbers 1 and 2."

In terms of section 62(3)(c) of the Companies Act, the percentage of voting rights that will be required for this ordinary resolution to be adopted is 50.1%.

VOTING

On a show of hands, every Grindrod ordinary shareholder who is present in person, by proxy or represented at the shareholders' meeting shall have one vote (irrespective of the number of Grindrod ordinary shares held) and, on a poll, every Grindrod ordinary shareholder present in person, by proxy or represented at the shareholders' meeting, shall have one vote for every share held.

Ordinary shares held by subsidiary companies of Grindrod as treasury shares do not carry any voting rights and therefore will not be eligible to vote at the general meeting.

In terms of the Section 5.51(g) of the Listings Requirements, the votes attaching to any ordinary shares, held by Remgro or its associates on the record date, will be excluded from voting on ordinary resolution number 2.

RECORD DATE

The record date in terms of section 59 of the Companies Act for shareholders to be recorded in the register in order to be able to attend, participate and, in the case of ordinary shareholders only, vote at the general meeting is Tuesday, 18 October 2011.

PREFERENCE SHAREHOLDERS

Preference shareholders are entitled to attend the general meeting but are not entitled to vote thereat in terms of Article 8A.2.9 of the Company's Memorandum of Incorporation.

IDENTIFICATION

Section 63(1) of the Companies Act requires that, before any person may attend or participate in a shareholders' meeting, that person must present reasonably satisfactory identification and the person presiding at such meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified.

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

Shareholders may participate (but not vote) electronically in the general meeting. Shareholders wishing to participate in the general meeting electronically should contact the company secretary on craigr@grindrod.co.za or +27 31 365 9116 not less than five business days prior to the general meeting. Access to the meeting by way of electronic participation will be at the shareholder's expense. Only persons physically present at the general meeting or represented by a valid proxy shall be entitled to cast a vote on any matter put to a vote of shareholders.

PROXIES

A Grindrod shareholder entitled to attend, speak and, in the case of ordinary shareholders only, vote at the general meeting may appoint one or more persons as its proxy to attend, speak and, in the case of ordinary shareholders only, vote in its stead. A proxy need not be a shareholder of the Company.

A form of proxy (*blue*) is attached for the convenience of certificated shareholders and own name dematerialised shareholders who are unable to attend the general meeting, but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be received by the Company, Quadrant House, 115 Margaret Mncadi Avenue, Durban, (PO Box 1, Durban, 4001), by no later than 10:00 on Saturday, 22 October 2011. Should Grindrod ordinary shareholders wish to lodge the form of proxy with the transfer secretaries, the form of proxy will need to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 10:00 on Thursday, 20 October 2011 so that arrangements can be made for the lodgement thereof with the Company by 10:00 on Saturday, 22 October 2011.

Shareholders' rights regarding proxies in terms of section 58 of the Companies Act are as follows:

1. At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
 - (a) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
 - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60 of the Companies Act.
2. A proxy appointment:
 - (a) must be in writing, dated and signed by the shareholder; and
 - (b) remains valid for:
 - (i) one year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in sub-section (4)(c), or expires earlier as contemplated in sub-section (8)(d) of the Companies Act.
3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
 - (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

4. Irrespective of the form of instrument used to appoint a proxy:
 - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy;
 - (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
 - (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in sub-section (4)(c)(ii) of the Companies Act.
6. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy otherwise provides.

Dematerialised shareholders, other than with own name registration, who have not been contacted by their CSDP or broker with regard to how they wish to cast their votes, should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the general meeting in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the general meeting in person, they must request their CSDP or broker to issue the necessary letter of representation to them. This must be done in terms of the agreement entered into between such dematerialised shareholders and the CSDP or broker.

By order of the board

GRINDROD LIMITED

C A S Robertson

Company Secretary

Monday, 26 September 2011

Registered office

Quadrant House
115 Margaret Mncadi Avenue
Durban, 4001
(PO Box 1, Durban, 4000)



(Incorporated in the Republic of South Africa)
(Registration number 1966/009846/06)

Share code: GND and GNDP ISIN: ZAE00072328 and ZAE000071106

FORM OF PROXY – GENERAL MEETING

All terms defined in the circular to which this form of proxy is attached shall bear the same meanings in this form of proxy.

For use by certificated shareholders or own name dematerialised shareholders at the general meeting of the Company to be held at Quadrant House, 115 Margaret Mncadi Avenue, Durban, 4001, at 10:00 on Monday, 24 October 2011.

If dematerialised ordinary shareholders, other than own name dematerialised ordinary shareholders, have not been contacted by their CSDP or broker with regard to how they wish to cast their votes, they should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the general meeting in order for their CSDP or broker to vote in accordance with such instructions. If dematerialised ordinary shareholders, other than own name dematerialised ordinary shareholders, have not been contacted by their CSDP or broker it would be advisable for them to contact their CSDP or broker, as the case may be, and furnish them with their instructions. Dematerialised ordinary and preference shareholders who are not own name dematerialised ordinary and preference shareholders and who wish to attend the general meeting must obtain their necessary letter of representation from their CSDP or broker, as the case may be, and submit same to the Company to be received by no later than 10:00, on Saturday, 22 October 2011 as per note 3 overleaf. This must be done in terms of the agreement entered into between the dematerialised shareholder and their CSDP or broker. If the CSDP or broker, as the case may be, does not obtain instructions from such dematerialised shareholders, it will be obliged to act in terms of the mandate furnished to it, or if the mandate is silent in this regard, to abstain from voting.

Such dematerialised shareholders, other than own name dematerialised shareholders, must not complete this form of proxy and should read note 11 overleaf.

I/We [full names in BLOCK LETTERS please]

of (address) [BLOCK LETTERS please]

Telephone number:(work) (area code)

Telephone number (home) (area code)

E-mail address:

Identity number

being the holder of certificated/own name dematerialised shares (delete whichever is not applicable), hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the general meeting,

as my/our proxy to vote for me/us on my/our behalf at the general meeting of Grindrod to be held at 10:00 on Monday, 24 October 2011 or any adjournment, thereof as follows:

Resolution	For	Against	Abstain
Ordinary resolution number 1 General authority for the directors of the Company to allot and issue 133 333 334 ordinary shares			
Ordinary resolution number 2 Specific authority for the directors of the Company to allot and issue 133 333 334 ordinary shares for cash in terms of the specific issue			
Ordinary resolution number 3 Directors' authority to take all such actions necessary to implement the above resolutions			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote (see note 2).

Signed at _____ on this _____ day of _____ 2011

Full name _____ Capacity _____

Signature(s) _____

Assisted by (where applicable) _____

A shareholder entitled to attend and vote at the general meeting may appoint one or more persons as his/her proxy to attend, speak or vote in his/her stead at the general meeting. A proxy need not be a shareholder of the Company.

On a show of hands, every Grindrod ordinary shareholder shall have one vote (irrespective of the number of Grindrod shares held). On a poll, every Grindrod ordinary shareholder shall have one vote for every share held.

Please see the notes on the reverse side hereof.

Notes:

1. A Grindrod shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the spaces provided with or without deleting "the chairperson of the general meeting", but any such deletion must be initialled by the Grindrod shareholder. The person whose name appears first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert the number of shares in the relevant space according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Grindrod ordinary shares exercisable by you, insert the number of Grindrod ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairperson, if the chairperson is an authorised proxy, to vote in favour of the ordinary resolutions, or to authorise any other proxy to vote for or against such resolutions or abstain from voting as he/she deems fit, in respect of all the Grindrod ordinary shareholder's votes exercisable thereat. A Grindrod ordinary shareholder or its/his/her proxy is not obliged to use all the votes exercisable by the Grindrod ordinary shareholder or its/his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Grindrod ordinary shareholder or its/his/her proxy.
3. Forms of proxy must be lodged with the Company, Quadrant House, 115 Margaret Mncadi Avenue, Durban, 4001 (PO Box 1, Durban, 4000), to be received by no later than 10:00 on Saturday, 22 October 2011. Should Grindrod ordinary shareholders wish to lodge this form of proxy with the transfer secretaries, this form of proxy will need to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 10:00 on Thursday, 20 October 2011, so that arrangements can be made for the lodgement hereof with the Company by 10:00 on Saturday, 22 October 2011.
4. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Grindrod's transfer secretaries or waived by the chairperson of the general meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant Grindrod shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Grindrod shareholder wish to do so.
7. The chairperson of the general meeting may accept or reject any form of proxy which is completed and/or received, other than in accordance with these notes, provided that the chairperson is satisfied as to the manner in which the Grindrod ordinary shareholder wishes to vote.
8. This form of proxy shall not be valid after the expiration of six months from the date when it was signed.
9. Joint holders – any such persons may vote at the general meeting in respect of such joint shares as if he/she were solely entitled thereto; but if more than one of such joint holders are present or represented at the general meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, is alone entitled to vote in respect thereof.
10. Own name dematerialised shareholders will be entitled to attend the general meeting in person or, if they are unable to attend and wish to be represented thereat, must complete and return this form of proxy to the transfer secretaries by the time specified herein.
11. Grindrod shareholders who hold shares in Grindrod through a nominee should advise their nominee or, if applicable, their CSDP or broker timeously of their intention to attend and vote at the general meeting or to be represented by proxy thereat in order for their nominee or, if applicable, their CSDP or broker to provide them with the necessary letter of representation to do so or should provide their nominee or, if applicable, their CSDP or broker timeously with their voting instruction should they not wish to attend the general meeting in person, in order for their nominee to vote in accordance with their instructions at the general meeting.

DETAILS OF THE REMGRO OFFER (TOGETHER WITH A TABLE OF ENTITLEMENTS AND A FORM OF ACCEPTANCE AND PAYMENT INSTRUCTION)

The Subscription Shares have not been and will not be registered for the purposes of the Remgro Offer under the securities laws of any country outside South Africa.

Neither this document nor the form of acceptance and payment instructions may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this document and form of acceptance and payment instruction are sent for information purposes only and should not be copied or redistributed.

Shareholders who are not resident in, or who have registered addresses outside South Africa, must satisfy themselves as to the full observance of the laws of any applicable jurisdiction concerning the acceptance of the Remgro Offer, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction.

Remgro does not accept any responsibility for the failure by any Grindrod shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

Remgro **Limited**

(Incorporated in the Republic of South Africa)

(Registration number 1968/006415/06)

Share code: REM ISIN: ZAE000026480

Directorate

Non-executive directors

Johann Peter Rupert (*Chairman*),
Edwin de la Harpe Hertzog (*Deputy Chairman*),
Pieter Eduard Beyers, Gerrit Thomas Ferreira*,
Paul Kenneth Harris*, Nkateko Peter Mageza*, Josua Malherbe,
Phillip Jabulani Moleketi*, Mafison Murphy Morobe*,
Mamphela Aletta Ramphele*,
Frederick Robertson*, Herman Wessels*

* Independent

Executive directors

Matthys Hendrik Visser (*Chief Executive Officer*)
Wilhelm Emil Bührmann
Leon Crouse (*Chief Financial Officer*)
Jan Willem Dreyer
Jan Jonathan Durand (*Chief Investment Officer*)
Jennifer Ann Preller

OFFER BY REMGRO LIMITED (“Remgro”)

TO THE ORDINARY SHAREHOLDERS OF GRINDROD LIMITED (“Grindrod”)

1. Grindrod ordinary shareholders are referred to the circular issued by Grindrod, dated Monday, 26 September 2011, to which this offer is attached (**“Grindrod Circular”**) and the subscription agreement entered into between Grindrod and Remgro, dated 19 September 2011 (**“Subscription Agreement”**), in terms of which Remgro is entitled to subscribe for 133 333 334 Grindrod ordinary shares of 0.002 cent each in the capital of Grindrod (**“Subscription Shares”**) for cash (**“Specific Issue”**) at an issue price of R15.00 per Grindrod ordinary share (**“Subscription Price”**), and are hereby advised that in terms of the Subscription Agreement, subject to the fulfilment or waiver of the conditions precedent set out in paragraph 2.7 of the Grindrod circular, Remgro irrevocably makes a non-renounceable offer to existing Grindrod ordinary shareholders (**“Remgro Offer”**) on the following terms:
 - 1.1 the Remgro Offer is made to Grindrod ordinary shareholders registered as such in the securities register of Grindrod as at Friday, 21 October 2011 (**“Remgro Offer record date”**) and does not constitute an offer or an invitation to subscribe for the Subscription Shares in any jurisdiction in which such offer, subscription or sale would be unlawful;
 - 1.2 Grindrod ordinary shareholders are offered the right to subscribe, in Remgro’s stead, for Subscription Shares in the ratio of 28.6657 Subscription Shares for every 100 Grindrod ordinary shares held on the Remgro Offer record date, provided that any fractions of Subscription Shares that may result from such subscription will be rounded up or down to the nearest whole number as set out in the table in paragraph 5 below;
 - 1.3 Grindrod ordinary shareholders may accept the Remgro Offer in respect of all or part of their entitlement to Grindrod ordinary shares;
 - 1.4 Grindrod ordinary shareholders may not renounce the Remgro Offer in favour of any other person;
 - 1.5 the offer price per Grindrod ordinary share payable by Grindrod ordinary shareholders will be the Subscription Price; and

- 1.6 Remgro reserves the right, in its sole discretion, to treat as invalid any purported acceptance of the Remgro Offer by any person in circumstances where the making of the Remgro Offer to and/or the acceptance of the Remgro Offer by such person will contravene the laws of any jurisdiction.
2. Certificated Grindrod ordinary shareholders who wish to accept the Remgro Offer must do so by completing the form of acceptance and payment instruction (*green*) attached hereto and lodging it with the transfer secretaries by no later than **17:00 on Tuesday, 25 October 2011 (“Remgro Offer election date”)**. Any form of acceptance and payment instruction received:
- 2.1 which is not duly completed; and/or
- 2.2 is received after the Remgro Offer election date; and/or
- 2.3 in respect of which the full Subscription Price for the Subscription Shares in respect of which the Remgro Offer is accepted, is not received by the Remgro Offer election date,
- will not constitute a valid acceptance of the Remgro Offer.
3. Dematerialised Grindrod shareholders must **not** complete the attached form of acceptance and payment instruction (*green*) and must make arrangements with their CSDP or broker for acceptance of the Remgro Offer and payment of the full Subscription Price for the Subscription Shares in respect of which the Remgro Offer is accepted as stipulated in the agreement governing their relationship with their CSDP or broker.
4. Remgro will procure that the Subscription Shares subscribed for by Grindrod ordinary shareholders pursuant to valid acceptances of the Remgro Offer are allotted and issued by Grindrod to such Grindrod Shareholders on Monday, 31 October 2011.
5. The table below illustrates the entitlement of a Grindrod ordinary shareholder who accepts the Remgro Offer.
- If the aggregate number of Subscription Shares to which a Grindrod ordinary shareholder will become entitled pursuant to an acceptance of the Remgro Offer is not a whole number, but a fraction of a Subscription Share, such fraction will be rounded up or down to the nearest next whole number of a fraction, on the following bases:
- rounded up to the nearest whole number of a Subscription Share if the fraction is equal to or greater than 0.5; and
 - rounded down to the nearest whole number of a Subscription Share if the fraction is less than 0.5.

Number of Grindrod ordinary shares held	Actual entitlement of Grindrod ordinary shareholders to Subscription Shares in terms of the Remgro Offer	Entitlement of Grindrod ordinary shareholders to Subscription Shares in terms of the Remgro Offer	Total amount payable (R)
1	0.2867	–	–
2	0.5733	1	15
3	0.8600	1	15
4	1.1466	1	15
5	1.4333	1	15
6	1.7199	2	30
7	2.0066	2	30
8	2.2933	2	30
9	2.5799	3	45
10	2.8666	3	45
11	3.1532	3	45
12	3.4399	3	45
13	3.7265	4	60
14	4.0132	4	60
15	4.2999	4	60
16	4.5865	5	75
17	4.8732	5	75
18	5.1598	5	75
19	5.4465	5	75
20	5.7331	6	90
21	6.0198	6	90
22	6.3065	6	90
23	6.5931	7	105
24	6.8798	7	105

Number of Grindrod ordinary shares held	Actual entitlement of Grindrod ordinary shareholders to Subscription Shares in terms of the Remgro Offer	Entitlement of Grindrod ordinary shareholders to Subscription Shares in terms of the Remgro Offer	Total amount payable (R)
25	7.1664	7	105
26	7.4531	7	105
27	7.7397	8	120
28	8.0264	8	120
29	8.3131	8	120
30	8.5997	9	135
31	8.8864	9	135
32	9.1730	9	135
33	9.4597	9	135
34	9.7463	10	150
35	10.0330	10	150
36	10.3197	10	150
37	10.6063	11	165
38	10.8930	11	165
39	11.1796	11	165
40	11.4663	11	165
41	11.7529	12	180
42	12.0396	12	180
43	12.3263	12	180
44	12.6129	13	195
45	12.8996	13	195
46	13.1862	13	195
47	13.4729	13	195
48	13.7595	14	210
49	14.0462	14	210
50	14.3328	14	210
51	14.6195	15	225
52	14.9062	15	225
53	15.1928	15	225
54	15.4795	15	225
55	15.7661	16	240
56	16.0528	16	240
57	16.3394	16	240
58	16.6261	17	255
59	16.9128	17	255
60	17.1994	17	255
61	17.4861	17	255
62	17.7727	18	270
63	18.0594	18	270
64	18.3460	18	270
65	18.6327	19	285
66	18.9194	19	285
67	19.2060	19	285
68	19.4927	19	285
69	19.7793	20	300
70	20.0660	20	300
71	20.3526	20	300
72	20.6393	21	315
73	20.9260	21	315
74	21.2126	21	315
75	21.4993	21	315
76	21.7859	22	330
77	22.0726	22	330
78	22.3592	22	330
79	22.6459	23	345
80	22.9326	23	345

Number of Grindrod ordinary shares held	Actual entitlement of Grindrod ordinary shareholders to Subscription Shares in terms of the Remgro Offer	Entitlement of Grindrod ordinary shareholders to Subscription Shares in terms of the Remgro Offer	Total amount payable (R)
81	23.2192	23	345
82	23.5059	24	360
83	23.7925	24	360
84	24.0792	24	360
85	24.3658	24	360
86	24.6525	25	375
87	24.9392	25	375
88	25.2258	25	375
89	25.5125	26	390
90	25.7991	26	390
91	26.0858	26	390
92	26.3724	26	390
93	26.6591	27	405
94	26.9458	27	405
95	27.2324	27	405
96	27.5191	28	420
97	27.8057	28	420
98	28.0924	28	420
99	28.3790	28	420
100	28.6657	29	435

IMPORTANT INFORMATION

Exchange Control Regulations

The Subscription Shares to be issued pursuant to the Remgro Offer are not freely transferable from South Africa and must be dealt with in terms of the South African Exchange Control Regulations.

Grindrod shareholders who are not resident in the Common Monetary Area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their rights to subscribe for the Subscription Shares in terms of the Remgro Offer.

Non-residents of the Common Monetary Area

In terms of the Exchange Control Regulations of South Africa and upon specific approval by the South African Reserve Bank, non-residents, excluding former residents of the Common Monetary Area, will be allowed to participate in the Remgro Offer provided payment is received through normal banking channels or from a non-resident account.

All applications by non-residents for the above purposes must be made through a South African authorised dealer.

Emigrants

Where the Remgro Offer applies to an emigrant qualifying Grindrod shareholder based on shares blocked in terms of South African Exchange Control Rulings, then only blocked funds may be used to subscribe for Subscription Shares allocated to such emigrant in terms of the Remgro Offer.

All applications by emigrants using blocked Rand for the above purposes must be made through the South African authorised dealer controlling their blocked assets.

Non-residents and emigrant dematerialised qualifying Grindrod shareholders will have all aspects relating to Exchange Control managed by their CSDP or broker.

By order of the directors of Remgro

M Lubbe (Mrs)

Company Secretary

26 September 2011

Registered office

Carpe Diem Office Park
Quantum Street, Techno Park
Stellenbosch, 7600
(PO Box 456, Stellenbosch, 7599)

Remgro Limited

(Incorporated in the Republic of South Africa)

(Registration number 1968/006415/06)

Share code: REM ISIN: ZAE000026480

("Remgro")

FORM OF ACCEPTANCE AND PAYMENT INSTRUCTION

For use by certificated Grindrod ordinary shareholders registered as such on the Remgro Offer record date, being Friday, 21 October 2011 who wish to accept the Remgro Offer

The interpretations and definitions commencing on page 5 of this Remgro Offer apply, *mutatis mutandis* to this form.

This form should be read in conjunction with the circular sent to Grindrod shareholders, dated Monday, 26 September 2011, to which this form is attached.

1. Remgro Offer

In terms of the non-renounceable offer made by Remgro to qualifying Grindrod shareholders to subscribe for the Subscription Shares in its stead, the terms of which are fully set out on pages 39 to 42 of this Remgro Offer; qualifying Grindrod shareholders may accept the Remgro Offer in respect of all or part of their ordinary shares. The subscription price per ordinary share payable by qualifying Grindrod shareholders will be R15.00 per Subscription Share.

2. Acceptance

- 2.1 Certificated qualifying Grindrod shareholders accepting the Remgro Offer should complete this form. The properly completed form, together with payment (see 2.2 below), must be delivered or sent by registered post to Grindrod's transfer secretaries at the address set out in the "Corporate information and advisers" section of the circular to which this Remgro Offer is attached.
- 2.2 Payment for the Subscription Shares in respect of which the Remgro Offer is accepted must be made by a banker's draft drawn on a registered bank or by a bank guaranteed cheque drawn on a South African bank (in either case crossed and marked "not transferable", and in the case of a cheque, also with the words "or bearer" deleted) in favour of "**Grindrod Limited**" and should be:
 - payable in South African currency; and
 - lodged together with this form properly completed.
- 2.3 **This acceptance form must be received by no later than 17:00 on Tuesday, 25 October 2011.** No postal acceptances received after 17:00 on Tuesday, 25 October 2011 will be allowed and you are therefore advised to **take into consideration postal delivery times.**
- 2.4 No acknowledgement of receipt will be given.
- 2.5 The lodging or posting of this completed form, and the payment in compliance with 2.1 and 2.2 above, will be regarded as an irrevocable acceptance of the Remgro Offer, except under the circumstance where the transaction is not approved by shareholders or where Remgro determines, in its sole discretion, that acceptance of the Remgro Offer by the relevant shareholder is illegal in terms of the laws of any jurisdiction.
- 2.6 All bankers' drafts or cheques received will be deposited after approval of the transaction by Grindrod ordinary shareholders for payment. In the event that any cheque or banker's draft is dishonoured, Remgro, in its sole discretion, may treat the acceptance of the Remgro Offer as void. In the event that the transaction is not approved by Grindrod ordinary shareholders at the general meeting, cheques will be destroyed.

2.7 If this completed form is not lodged and payment of the required amount is not received by 17:00 on Tuesday, 25 October 2011, in terms of the provisions of 2.1 and 2.2 above, then the qualifying Grindrod shareholder will be deemed to have declined the Remgro Offer.

2.8 Please refer to the instructions below before completing this form of acceptance and payment instruction.

For use by certificated Grindrod ordinary shareholders only

This form must be completed in its entirety and returned to the transfer secretaries:

Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

so as to be received by no later than 17:00 on Tuesday, 25 October 2011.

I/We, the undersigned, confirm that I/we have full legal capacity to contract, are not prohibited by the laws of any jurisdiction from receiving or accepting the Remgro Offer and, having read the circular, hereby irrevocably accept the Remgro Offer to subscribe, at the subscription price and in Remgro's stead, for 28.6657 Subscription Shares for every 100 Grindrod ordinary shares I/we hold, provided that any fractions of shares that may result from such subscription will be rounded up or down to the nearest whole number.

Signature of Shareholder _____

Date _____ 2011 Telephone number (_____) _____

_____ Cell number _____

First names and surname (in full) _____

Identity number _____

Email address _____

Postal address (include country) _____

Total number of ordinary shares applied for _____

Total amount payable _____

Postal instructions

The Grindrod share certificate should be forwarded at my/our risk to the following address:

Postal code _____

(If no specific instructions are given here, the Grindrod share certificate will be forwarded to the address above.)

Signed _____ Date _____ 2011

Shareholder wishing to collect the share certificate from the transfer secretaries must tick this block:

Signatories may be called upon for evidence of their authority or capacity to sign this form.

1. All acceptances are irrevocable and may not be withdrawn once submitted.
2. Please refer to the terms and conditions of the Remgro Offer. Applicants should consult their broker or other professional adviser in case of doubt as to the correct completion of this form.
3. No receipts will be issued for application forms and/or payments received.
4. All alterations on this form must be authenticated by full signature.
5. Blocked Rand may be used by emigrants and non-residents of the Common Monetary Area (comprising the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho) for payment in terms of this and reference should be made to the section in the Remgro Offer that deals with Exchange Control Regulations.