

REMGRO LIMITED

Incorporated in the Republic of South Africa

(Registration number: 1968/006415/06)

ISIN: ZAE000026480

JSE and A2X share code: REM

("Remgro")

DECLARATION AND FINALISATION ANNOUNCEMENT REGARDING THE DISTRIBUTION OF GRINDROD LIMITED ("GRINDROD") ORDINARY SHARES ("GRINDROD SHARES") TO HOLDERS OF REMGRO NO PAR VALUE ORDINARY SHARES AND REMGRO UNLISTED NO PAR VALUE B ORDINARY SHARES ("REMGRO SHARES")

1. INTRODUCTION

- 1.1. Shareholders of Remgro ("Remgro Shareholders") are advised that the directors of Remgro ("Board") have resolved to proceed with a distribution of Remgro's shareholding in Grindrod to Remgro Shareholders ("the Remgro Unbundling").
- 1.2. In terms of the Remgro Unbundling, Remgro will distribute its entire shareholding of 25% in Grindrod, by way of a distribution *in specie* to Remgro Shareholders as an unbundling transaction in terms of section 46 of the Income Tax Act, No 58 of 1962 ("ITA").
- 1.3. The purpose of this announcement is to provide Remgro Shareholders with information regarding the Remgro Unbundling.

2. RATIONALE

- 2.1. Remgro embarked on a realignment of its investment portfolio to ensure that it remains relevant, and continues to deliver sustainable value for Remgro Shareholders.
- 2.2. Remgro has since 2011 had a good relationship with Grindrod and supported its strategy to unlock value for its shareholders by refocusing on its core freight services business. Execution of this strategy during recent years has yielded the desired outcomes and financial results, with the market responding positively to the benefit of all Grindrod shareholders.
- 2.3. On the back of this performance, Remgro believes it is now the optimum time to unbundle its Grindrod interest to the Remgro shareholders. The unbundling decision is underpinned by a firm belief in the encouraging trajectory of Grindrod's business and the strong management team to deliver and fulfil Grindrod's stated purpose and strategy. The unbundling will unlock value and provide flexibility to Remgro Shareholders to assess their own position in respect of the Grindrod shares, relative to their individual portfolios.

3. KEY TERMS OF THE REMGRO UNBUNDLING

- 3.1. As at the date of this announcement, Remgro holds 174,507,905 Grindrod Shares, constituting 25% of the Grindrod Shares in issue.
- 3.2. Remgro will distribute the 174,507,905 Grindrod Shares it holds (the "Unbundled Grindrod Shares") on a *pro-rata* basis to all the Remgro Shareholders as a dividend *in specie*.
- 3.3. Remgro Shareholders will receive 30.70841 Unbundled Grindrod Shares for every 100 Remgro Shares held on the Record Date (as defined in paragraph 10 below). The transfer of the Unbundled Grindrod Shares may result in fractional entitlements, which are dealt with in paragraph 4 below.
- 3.4. The Remgro Unbundling will result in Remgro Shareholders holding a direct interest in Grindrod through the Unbundled Grindrod Shares, which are listed on the securities exchange operated by JSE Limited ("JSE").
- 3.5. The tax implications of the Remgro Unbundling are set out in paragraph 0 below.

4. FRACTIONAL ENTITLEMENTS, CASH PROCEEDS AND APPLICABLE RATE

- 4.1. In accordance with the Listings Requirements of the JSE ("Listings Requirements"), fractional entitlements of Grindrod Shares to which Remgro Shareholders become entitled in terms of the Remgro Unbundling will be rounded down to the nearest whole Unbundled Grindrod Share. The aggregated excess fractions of Unbundled Grindrod Shares, to which Remgro Shareholders remain entitled, will be sold in the market, on Remgro Shareholders' behalf, as soon as practicable after the Remgro Unbundling. The cash proceeds of the sale of the fractional entitlements to Unbundled Grindrod Shares ("Cash Proceeds") will be paid to the relevant Remgro Shareholders

on the basis set out below, net of any applicable taxes (such as Securities Transfer Tax (“STT”)) and costs.

- 4.2. The Cash Proceeds due to Remgro Shareholders will be determined at a 10% discount to the volume weighted average trading price (“VWAP”) of Grindrod Shares on the JSE on the day on which Remgro Shares will begin to trade ‘ex’ the entitlement to receive the Unbundled Grindrod Shares, which is anticipated to be on Wednesday, 12 October 2022. The actual price used to calculate the Cash Proceeds will be announced on the Stock Exchange News Service of the JSE (“SENS”) by 11h00 on the following business day.

5. **TREASURY SHARES**

- 5.1. As at the date of this announcement, Remgro has 4,205,070 treasury shares in issue, held by Industrial Partnership Investments Proprietary Limited (the “**Treasury Company**”).
- 5.2. Any Grindrod Shares received by the Treasury Company in terms of the Remgro Unbundling will, following the Remgro Unbundling, be sold in the market at the best price that can reasonably be obtained at the time of sale.

6. **INFORMATION RELATING TO GRINDROD**

- 6.1. Grindrod is a South African-based, JSE-listed company that was founded in 1910 and is represented by subsidiaries, joint ventures and associated companies in 23 countries worldwide, employing more than 3 900 skilled and dedicated people. Grindrod’s core segments include Ports and Terminals, Logistics, Bank and Group. Non-core segments include Marine Fuels and Private Equity and Property.
- 6.2. During 2021, Grindrod announced the establishment of a joint venture between Grindrod and the Maersk Group to enhance container logistics and services business offerings.
- 6.3. On 23 August 2022, Grindrod shareholders approved the disposal of Grindrod’s interest in Grindrod Bank Limited to African Bank Limited, which disposal remains subject to regulatory approval.
- 6.4. Grindrod’s strategy is to deliver efficient and cost-effective logistics solutions to its existing and potential new customers. In support of these solutions Grindrod will invest in the required infrastructure.
- 6.5. For further detailed information on Grindrod, Remgro Shareholders are referred to the annual report of Grindrod for the financial year ended 31 December 2021, which can be accessed on Grindrod’s website (<https://www.grindrod.com/>).

7. **EXCHANGE CONTROL REGULATION**

- 7.1 The Unbundled Grindrod Shares are not freely transferable from the common monetary area and must be dealt with in terms of the South African Exchange Control Regulations, 1961 (as amended) (“**Exchange Control Regulations**”). The following summary of the Exchange Control Regulations is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations or advice. Remgro Shareholders who are in any doubt regarding the Exchange Control Regulations should contact their own professional advisers. This summary is based on the laws and regulations as in force and as applied in practice as at the date of this announcement and is subject to change.

7.1.1. **Emigrants from the Common Monetary Area, consisting of the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini (“CMA”):**

- 7.1.1.1. Any share certificates that may be issued by Grindrod to emigrants from the CMA will be endorsed “non-resident” in accordance with the Exchange Control Regulations.
- 7.1.1.2. Uncertificated Unbundled Grindrod Shares will be credited directly to the emigrants’ respective emigrant share accounts at the CSDP or broker controlling their remaining portfolios, and an appropriate electronic entry will be made in the relevant register reflecting a “non-resident” endorsement. The CSDP or broker will ensure that the emigrant adheres to the Exchange Control Regulations.
- 7.1.1.3. Any Unbundled Grindrod Shares issued in certificated form, cash dividends and residual cash payments (including Cash Proceeds) based on emigrants’ Unbundled Grindrod Shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their remaining assets.

- 7.1.2. **Residents outside of the CMA:**
 - 7.1.2.1. Any share certificates that may be issued by Grindrod to non-residents of the CMA will be endorsed “non-resident” in accordance with the Exchange Control Regulations.
 - 7.1.2.2. Uncertificated Unbundled Grindrod Shares will be credited directly to the non-resident’s non-resident share accounts at the CSDP or broker controlling their portfolios, and an appropriate electronic entry will be made in the relevant register reflecting a “non-resident” endorsement. The CSDP or broker will ensure that the non-resident adheres to the Exchange Control Regulations.
 - 7.1.2.3. Any Cash Proceeds payable to non-resident Remgro Shareholders in relation to their fractional entitlements are freely transferable from South Africa.
- 7.2 The Financial Surveillance Department of the South African Reserve Bank has approved the Remgro Unbundling.

8. **TAXATION**

- 8.1. The following summary describes the likely South African tax consequences of the Remgro Unbundling that may apply to Remgro Shareholders generally. This summary is based on the laws as in force and as applied in practice as at the date hereof and is subject to changes to those laws and practices subsequent to such date. This summary is merely a guide and every Remgro Shareholder must avail himself of his/her/its tax consequences, as the final tax consequences will be solely dependent on each Remgro Shareholder’s individual circumstances.
- 8.2. In the case of persons who are non-residents of South Africa for tax purposes, this summary should be read in conjunction with the provisions of any applicable double tax agreement between South Africa and their country of residence and a consideration of the in country tax legislation of each non-resident Remgro Shareholder.
- 8.3. Remgro and its advisers cannot be held responsible for the taxation consequences that the Remgro Unbundling may have on individual Remgro Shareholders and, therefore, if you are in any doubt about your tax position, you should consult an appropriate independent professional adviser.
- 8.4. The Remgro Unbundling will constitute a disposal by Remgro of the Unbundled Grindrod Shares to Remgro Shareholders. The disposal will be implemented in terms of section 46 of the ITA, which provides dividends tax and STT relief as well as roll-over relief from an income tax (including capital gains tax (“**CGT**”)) perspective, provided the Unbundled Grindrod Shares are not distributed to a “disqualified person” as envisaged in section 46(7)(a) of the ITA. This relief includes the following:
 - 8.4.1. The Unbundled Grindrod Shares will be distributed as a dividend *in specie* that must be disregarded for dividends tax purposes. To the extent that the Unbundled Grindrod Shares are distributed to a “disqualified person” envisaged in section 46(7)(a) of the ITA, Remgro will be liable for the dividends tax.
 - 8.4.2. The distribution will not constitute a “return of capital” for the purposes of paragraph 76B of the Eighth Schedule to the ITA.
 - 8.4.3. Remgro Shareholders will be deemed to have acquired the Unbundled Grindrod Shares on the date on which the Remgro Shares were originally acquired (other than for purposes of determining whether the Unbundled Grindrod Shares were held for at least 3 years for purposes of section 9C(2) of the ITA).
 - 8.4.4. **Remgro Shares held as trading stock:**
 - 8.4.4.1. Remgro Shareholders holding Remgro Shares as trading stock will be deemed to acquire the Unbundled Grindrod Shares as trading stock.
 - 8.4.4.2. The original expenditure incurred by the Remgro Shareholder in respect of the Remgro Shares will be apportioned between the Unbundled Grindrod Shares and the Remgro Shares, based on a ratio that is determined with reference to the respective closing prices of the shares in Grindrod and Remgro on the first business day after the LDT Date (as defined in paragraph 10 below). An announcement will be made in this regard to inform Remgro Shareholders what apportionment ratio to apply.
 - 8.4.5. **Remgro Shares held as capital assets:**
 - 8.4.5.1. Remgro Shareholders holding Remgro Shares as capital assets will be deemed to acquire the Unbundled Grindrod Shares as capital assets.
 - 8.4.5.2. The CGT ‘base cost’ of the Remgro Shares in the hands of Remgro Shareholders will be apportioned between the Unbundled Grindrod Shares and

the Remgro Shares, based on a ratio that is determined with reference to the respective closing prices of the shares in Grindrod and Remgro on the first business day after the LDT Date (as defined in paragraph 10 below).

8.4.6. Apportionment ratios to be used

8.4.6.1. Remgro will advise Remgro Shareholders of the relevant apportionment ratios to be used to determine their cost/base cost in the Remgro Shares and the Unbundled Grindrod Shares by way of an announcement to be released on SENS on the second business day after the LDT Date (as defined in paragraph 10 below).

These ratios must be used in the determination of any income or capital gains or losses (as the case may be), derived from any future disposals of the Unbundled Grindrod Shares or Remgro Shares.

9. FOREIGN SHAREHOLDERS

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION.

- 9.1. The following summary describes the restrictions applicable to Remgro Shareholders in terms of the Remgro Unbundling who have registered addresses outside South Africa and/or who are nationals, citizens or residents of countries other than South Africa (“**Foreign Shareholders**”) or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this announcement to a jurisdiction outside South Africa, or who hold Remgro Shares for the account or benefit of any such Foreign Shareholder and will therefore hold Unbundled Grindrod Shares in a similar manner and may, therefore, have an impact on Remgro Shareholders.
- 9.2. The Remgro Unbundling will be implemented as a *pro rata* distribution *in specie* for no consideration to all Remgro Shareholders recorded as such in the register of Remgro on the Record Date.
- 9.3. It is the responsibility of any Foreign Shareholder (including, without limitation, nominees, agents and trustees for such persons) being notified by this announcement of the Remgro Unbundling and wishing to have their Unbundled Grindrod Shares transferred to them in terms of the Remgro Unbundling to satisfy themselves in respect of the applicable laws in their territory, including obtaining any requisite governmental or other consents, observing any other requisite laws, requirements or formalities and paying any issue, transfer or other taxes due in such territories.
- 9.4. Accordingly, persons (including, without limitation, nominees, agents and trustees) being notified in terms of this announcement should not distribute or send the announcement to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene applicable law or regulation, including local securities laws or regulations. Any person who does distribute this announcement into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph.
- 9.5. Remgro reserves the right, but shall not be obliged, to treat as invalid any transfer of Unbundled Grindrod Shares in terms of the Remgro Unbundling, which appears to Remgro or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction; or if Remgro or its agents believe (in their discretion) that the same may violate applicable legal or regulatory requirements; or if Remgro or its agents believe (in their discretion) that it is prohibited or unduly onerous or impractical to transfer the Unbundled Grindrod Shares to such Foreign Shareholder in terms of the Remgro Unbundling.
- 9.6. If a Foreign Shareholder is of the view that the transfer of the Unbundled Grindrod Shares in terms of the Remgro Unbundling to such Overseas Shareholder may involve a breach of the securities laws or regulations or violate applicable legal or regulatory requirements, such Foreign Shareholder must, as soon as reasonably practicable, notify their CSDP or broker of such fact or circumstance.
- 9.7. Remgro shall be entitled (in its discretion), including in any of the aforementioned instances, to do all things necessary or desirable to ensure compliance with applicable law and/or regulation, including (without limitation) selling the Unbundled Grindrod Shares that would otherwise have been transferred to the Foreign Shareholder in terms of the

Remgro Unbundling on behalf of the Foreign Shareholder and at their risk, with the net proceeds of such sale (after deduction of any applicable taxes which may, in this instance, include STT, withholdings or costs) to be paid to the Foreign Shareholder. In this regard, the Unbundled Grindrod Shares may be aggregated and disposed of on market on the JSE in an orderly manner by Remgro's transfer secretaries on behalf of and for the benefit of such Foreign Shareholders as soon as is reasonably practical after the implementation of the Remgro Unbundling at the best price that can reasonably be obtained at the time of sale.

10. SALIENT DATES AND TIMES IN RELATION TO THE UNBUNDLING

2022	
Distribution announcement released on SENS	Monday, 26 September
Distribution announcement published in South African press	Tuesday, 27 September
Last day to trade in Remgro Shares on the JSE to participate in the Remgro Unbundling (" LDT Date ")	Tuesday, 11 October
Remgro Shares trade "ex" entitlement to receive the Unbundled Grindrod Shares	Wednesday, 12 October
Announcement of specified ratio in respect of apportionment of costs/base costs of Remgro for taxation/CGT purposes released on SENS, by 11h00	Thursday, 13 October
Announcement of Cash Proceeds of fractional entitlements released on SENS, by 11h00	Thursday, 13 October
Record date to receive Unbundled Grindrod Shares in terms of the Remgro Unbundling (" Record Date ")	Friday, 14 October
Remgro unbundles the Unbundled Grindrod Shares to Remgro Shareholders	Monday, 17 October
Remgro Shareholder's account with CSDP or broker updated	Monday, 17 October
Payment of cash amount in respect of fractional entitlements	Monday, 17 October

Notes:

1. Remgro Shareholders should note that as transactions are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade.
2. Share certificates may not be dematerialised or re-materialised between Wednesday, 12 October 2022 and Friday, 14 October 2022, both days inclusive.
3. All times indicated above are in South African Standard Time.

By order of the board of directors of Remgro

Stellenbosch
26 September 2022

Financial Adviser and Sponsor to Remgro
Rand Merchant Bank, a division of FirstRand Bank Limited

Legal Adviser to Remgro
ENSAfrica