



SEPHAKU
HOLDINGS LTD

BOARD DIVERSITY POLICY

1. INTRODUCTION

- 1.1. In accordance with the requirements stipulated in King IV and the JSE Listings Requirements, a public company (As defined in the Companies Act No 71 of 2008) must set targets for race and gender representation at board level (hereinafter referred to as “Board Diversity”) and implement the requisite policies for the promotion of thereof. Boards of public companies are required to report progress in respect of agreed upon voluntary targets on an annual basis in the integrated annual report.
- 1.2. The purpose of this policy is to set out the approach to achieve Board Diversity on the Sephaku Holdings Limited (“the Company”) board of directors (“Board”).

2. SCOPE OF APPLICATION

This policy applies to the Board and not in relation to employees of the Company.

3. POLICY STATEMENT

- 3.1. The Company is completely committed to Board Diversity.
- 3.2. The Company is aware of the importance of Board Diversity in order to assist it in the achievement of its business objectives. This can be achieved through an informed understanding of the varied environments in which the Company and its related companies operate. The Board endorses the recommendation of King IV, that the Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence.
- 3.3. The Board is committed to providing opportunity for skilled, capable women to participate in leadership positions through Board membership. The Board’s aim is that female candidates, with a particular emphasis on black women, will be considered for all vacant Board positions.

- 3.4. The Board believes that a plethora of factors need to be balanced appropriately in order to attain an optimal and effective composition of Board members. These factors will contribute to the diversity of perspectives and will strengthen the Company. In the annual performance evaluation of the Board's effectiveness, the directors consider the balance of skills, experience and diversity representation among other relevant factors.
- 3.5. The Company recognises that Board Diversity maximises opportunities to achieve business success and endeavours to promote the development of women with demonstrated leadership abilities for Board positions over a 3 (three) to 5 (five) year period.
- 3.6. The Remuneration and Nomination Committee ("RemCo") will evaluate and promote Board Diversity. In identifying suitable candidates, the RemCo will assess candidates on merit against objective criteria and with due regard for the benefits of Board Diversity.
- 3.7. The Board considers the nomination process to be malleable and as such consistently seeks to improve it at any given time. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

4. MEASURABLE OBJECTIVES

The RemCo will discuss and agree upon measurable targets so as to gauge the achievement of Board Diversity. The targets determined by the RemCo will be approved by the Board. The voluntary targets set for Board Diversity are as follows:

4.1. Gender Diversity:

4.1.1. The Board's aim is that female candidates will be considered for all vacant board positions going forward. Taking this into account, at a minimum, at least 30% (thirty percent) of the Board should comprise of female directors by 31 March 2019.

4.2. Race Diversity:

4.2.1. The Board has agreed that the majority of the Board should be comprised of black directors. As it stands, the Board is well diversified in that it is comprised of 4 (four) black directors who represent 57% (fifty seven percent) of the members.

5. MONITORING AND REPORTING

The Board will report annually, in the corporate governance section of the integrated annual report, on the progress and process it has used in relation to Board appointments. The report will include an assessment of the effectiveness of this policy, the measurable objectives set for implementing this policy and the progress made towards achieving the objectives.

6. REVIEW OF THE POLICY

The Board will review this policy annually, which will include an assessment of its effectiveness.

This policy was reviewed and approved by the Board at the meeting held on 12 November 2018.

Brent Williams

Chair: Board