

**BOARD DIVERSITY POLICY  
TERMS OF REFERENCE**



## 1 Definitions

Unless the context indicates otherwise, the following words or terms of expressions shall have the meanings subscribed to them hereunder:

- 1.1 **“Board”** means the Board of Directors of the Company;
- 1.2 **“Companies Act”** means the Companies Act No 71 of 2008, as amended from time to time;
- 1.3 **“Company”** means Metrofile Holdings Limited, Registration Number 1983/012697/06), including its subsidiaries;
- 1.4 **“Directors”** means Directors of the Company;

## 2 Purpose

This policy sets out the principles, objectives, commitment and approach to implementing, achieving and maintaining diversity at Board level with the intent of maintaining the voluntary target of 40% female representation and 50% race representation as adopted by the Board.

## 3 JSE listings requirements

The JSE amended its Listings Requirements to add a disclosure obligation to the implementation of gender and race diversity at Board level as follows:

### Gender

In terms of paragraph 3.84(i) of the Listings Requirements of the JSE:

*The Board of Directors or the Nomination Committee, as the case may be, must have a policy on the promotion of gender diversity at board level. The issuer must confirm this by reporting to shareholders in its annual report on how the Board of Directors or the Nomination Committee, as the case may be, have considered and applied the policy of gender diversity in the nomination and appointment of directors. If applicable, the Board of Directors or the Nomination Committee must further report progress in respect thereof on agreed voluntary targets.*

All annual reports issued on or after 1 January 2017 must comply with this required disclosure.

### Race

In terms of paragraph 3.84(j) of the Listings Requirements of the JSE:

*The Board of Directors or the Nomination Committee, as the case may be, must have a policy on the promotion of race diversity at board level. The issuer must confirm this by reporting to shareholders in its annual report on how the Board of Directors or the Nomination Committee, as the case may be, have considered and applied the policy of race diversity in the nomination and appointment of directors. If applicable, the Board of Directors or the Nomination Committee must further report progress in respect thereof on agreed voluntary targets.*

All annual reports issued on or after 1 June 2018 must comply with this required disclosure.

## 4 Policy statement

- 4.1 The Company recognises that the promotion and implementation of gender and race diversity at Board level is critical to achieving progressive and sustainable transformation in the long term and will facilitate enhanced decision making of the Board;
- 4.2 The Company embraces the benefits of having a diverse Board and acknowledges the importance of implementing a Board diversity policy that affirms the Company's commitment to both gender and race diversity at Board level;

- 4.3 Preference will accordingly, wherever practically and commercially possible, be given to those candidates whose appointment will contribute to or maintain the Board's targeted levels of diversity;
- 4.4 The composition, and appointments of the Board should be made on merit and diverse in terms of academic qualifications, expertise, skills, experience, nationality, age, race and gender.
- 4.5 The Nominations Committee reviews, monitors and assesses the Board composition and recommends the appointment of new directors. The Nominations Committee also oversees the conduct of the annual performance evaluation and assessment of Board effectiveness. In terms of Regulation 43 (5) of the Companies Act No 71 of 2008, the Social, Ethics and Transformation Committee is required to report on, among others, the promotion of equality, diversity and the prevention of unfair discrimination.
- 4.6 In reviewing the Board composition, the Nominations Committee will consider the benefits of all aspects of diversity specifically including, but not limited to, gender and race diversity, to enable it to discharge its duties and responsibilities effectively.
- 4.7 In identifying suitable candidates for appointment to the Board, the Nominations Committee will consider candidates against objective criteria and with due regard to the benefits of diversity on the Board; with the intent of maintaining a minimum of 40% female representation and 50% race representation.
- 4.8 As part of the annual performance evaluation and assessment of the Board, Board Committees and individual Directors, the Nominations Committee will consider the balance and mix of skills, experience, independence, knowledge and the diversity representation on the Board, more specifically gender and race, how the Board works together as a unit, and any other factors relevant to its effectiveness.

## 5 Measurable objectives

Annually, the Nominations Committee will discuss and agree proposed objectives, including, without limitation, the setting of voluntary targets for achieving diversity on the Board and recommend them to the Board for approval and adoption. If, and when appropriate, the Nominations Committee shall engage with the Social, Ethics and Transformation Committee in terms of seeking its guidance and input around both gender and race diversity at Board level.

## 6 Monitoring and reporting

The Nominations Committee will report annually to shareholders in the corporate governance section of the Integrated Annual Report of the Company on the process adopted in relation to Board appointments and the consideration given to diversity on the Board in general and, more specifically, gender and race diversity. Such report should include a narrative on how the Board or the Nominations Committee have considered and applied this diversity policy in the nomination and appointment of Directors. If applicable, the Board or the Nominations Committee must further report progress in respect thereof against agreed voluntary targets.

## 7 Approval and review of the policy

- 7.1 The Nominations Committee, and when applicable, the Social, Ethics and Transformation Committee, will review this policy on an annual basis to ensure that it meets its purpose and objectives;
- 7.2 The Nominations Committee may propose revisions to the Policy, subject to the approval of the Board;
- 7.3 The Board shall be entitled at any time to amend and/or deviate from any of the terms of the Policy where the Board, in its sole discretion, considers it appropriate to do so, provided that such deviation is permissible under such legislation and/or regulation as is applicable to the Company from time to time; and
- 7.4 This policy was reviewed and approved by the Board on 13 March 2018.