

POLICY ON THE PROMOTION OF RACE AND GENDER DIVERSITY AT BOARD LEVEL

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AUTHORISATION

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DISTRIBUTION

All Octodec staff as required.

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1. BACKGROUND

With effect from 1 January 2017, the JSE Listings Requirements introduced a disclosure obligation relating to the implementation of a gender diversity policy at Board level. Octodec Investments Limited, (“Octodec” or “the company”) recognizes the need to endeavor to meet the obligations created by all relevant authorities, starting with those determined by the JSE, but extending beyond that to include the King IV Report on Corporate Governance for South Africa, 2016 (“King IV™”) and legislation governing Broad-Based Black Economic Empowerment.

2. PURPOSE

The purpose of this policy is to provide guidelines for the promotion of race and gender diversity and inclusion as they apply to appointments of directors to the Board, in line with Octodec’s growth strategy and transformation agenda.

3. POLICY STATEMENT

The company recognises and embraces the benefits of having a diverse Board, and sees increasing racial and gender diversity at Board level as an essential element in maintaining a competitive advantage. A diverse Board comprising of directors that are appointed on merit, within the context of the company’s needs, will include, and make good use of, differences in the various skill sets, experience, background, race, gender and other distinctions between members of the Board, which in turn will contribute to a diverse and considered view of issues relevant to the company.

4. COMPOSITION OF THE BOARD

- 4.1 The Octodec Nominations Committee (“the Committee”) reviews and assesses the Board composition on behalf of the Board, and recommends the appointment of new directors.
- 4.2 The 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 Act”), the Octodec Social, Ethics, Remuneration and Transformation Committee (“the SERT Committee”) is required to report on, among others, the promotion of equality, diversity and the prevention of unfair discrimination.
- 4.3 In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity specifically including, but not limited to, gender and race diversity, in order to enable it to discharge its duties and responsibilities effectively as contemplated in this policy.
- 4.4 As part of the annual performance evaluation and assessment of the Board, the various Board committees and individual directors, the Committee will consider the balance and mix of skills, experience, independence and knowledge and the diversity representation on the Board, including gender and race, how the Board works together as a unit, and any other factors relevant to its effectiveness.

5. MEASURABLE OBJECTIVES

- 5.1 The Committee shall, on an annual basis, discuss and agree proposed objectives, including, without limitation, the setting of voluntary targets, for achieving diversity on the Board, and recommend the same to the Board for approval and adoption.
- 5.2 If and when appropriate, the Committee shall engage with the SERT Committee in terms of seeking its guidance and input around both gender and race diversity at Board level.
- 5.3 At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.
- 5.4 All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge, gender, ethnicity, age and geography that will result in optimal effectiveness of the Board.

6. MONITORING AND REPORTING

- 6.1 The Committee will report annually, in the corporate governance section of the company's Integrated Report and / or on its company website, on the process it has used in relation to Board appointments.
- 6.2 Such report will include a summary of this policy, the measurable objectives set for implementing the policy and progress made towards achieving those objectives.

7. REVIEW OF THE POLICY

- 7.1 The Committee and when applicable, the SERT Committee, will review the policy annually, which will include an assessment of the effectiveness of the policy.
- 7.2 The Committee will also discuss any revisions that may be required and recommend any such revisions to the Board for approval.

8. DISCLOSURE OF THIS POLICY

- 8.1 The policy will be retained at the company's registered office.
- 8.2 A summary of this policy together with the measurable objectives set for implementing this policy and the progress made towards achieving those objectives will be disclosed by Octodec in its Integrated Report.

APPROVED BY THE BOARD ON 28 AUGUST 2018