

PEPKOR HOLDINGS LIMITED

REGISTRATION NUMBER 2017/221869/06

(*"The Company" or "Pepkor"*)

BOARD PROMOTION OF DIVERSITY POLICY

1. Introduction and background

- 1.1 The Company supports the principles and aims of having appropriate levels of diversity on the board. An appropriate level of diversity on the board will contribute to a greater range of perspectives and views in the deliberations on matters of strategic importance to the Company.
- 1.2 The purpose of this policy is to set out the Pepkor board's objectives, approach and voluntary targets (where applicable) in relation to board diversity. The Company regards the key components of diversity to include gender, race, age, culture, skillset, experience and field of knowledge.
- 1.3 This policy has been prepared in accordance with the provisions of the JSE Listings Requirements, the JSE Debt Listings Requirements and the King IV Report on Corporate Governance, and is intended to further align Pepkor's board governance practices with best practice.
- 1.4 This policy applies to the Pepkor board and should be read together with Pepkor's Board Nomination Policy.

2. Policy statement

- 2.1 All board and committee nominations and appointments are made on merit, in the context of the skills, experience, independence and knowledge which the board, as a whole, requires in order to effectively discharge its responsibilities. The benefits of all aspects of diversity, including the diversity indicators referred to in 1.2 above, are considered in determining the optimum composition of the board and are balanced appropriately.
- 2.2 In identifying suitable candidates for appointment to the Board, the Nominations Committee considers candidates against objective criteria and with due regard for the benefits of broader

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diversity on the Board. Should a vacancy on the Board arise, or should there be a requirement for an additional Board appointment, consideration will be given to attain and maintain a level of broader diversity within the board that is considered appropriate at the time, having due regard to the skills, expertise, experience and background required to fill any such Board position(s), the availability of suitable candidates, the development potential of candidates and to any additional requirements that may be necessary to ensure a mix of skills, and experience on the Board and its committees that will best serve the interests of the company and its stakeholders.

- 2.3 As part of the performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Nominations Committee considers the balance of skills, experience, industry knowledge and independence on the Board (as well as the future needs of the Board). The Committee will also assess whether the current Board composition is appropriately represented in relation to broader diversity to ensure that the Board carries out its responsibilities effectively for the sustainable success of the Company. The Board will regularly assess every measurable aspect of its diversity to ensure that it is relevant and appropriate.
- 2.4 The board shall determine voluntary targets for measurable diversity indicators from time to time.

3. Disclosure and reporting

- 3.1 The Nominations Committee will annually consider how the policy has been applied in the nomination and appointment of directors. The company will disclose in its annual integrated report, the process it has followed in relation to board appointments and consideration that was given to board diversity in general, and more specifically progress in respect of the voluntary targets referred to above
- 3.2 The board will make specific disclosures recommended by King IV in the integrated annual report with regard to its composition, including whether it is satisfied that its composition reflects the appropriate mix of knowledge, skills, age, experience, diversity and independence.
- 3.3 This policy will be made available on the company's website for access by all stakeholders.

4. Review and approval of policy

The policy will be annually reviewed by the Nomination Committee, and all changes shall be approved by the board.

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