

# BROADER POLICY ON DIVERSITY AND APPOINTMENTS TO THE BOARD OF DIRECTORS

## 1. INTRODUCTION

- 1.1. As part of its continuing obligations in accordance with paragraph 5.7(j) of the Simplified JSE Listings Requirements, Sebata Holdings Limited ("the Company"), through the Board of Directors ("the Board") outlines the Company's policy on the promotion of broader diversity at board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience.
- 1.2. In addition, the Company reports to stakeholders in its integrated report on how the Board has considered and applied the policy of broad diversity in the nomination and appointment of directors. If applicable, the Board must further report progress in respect thereof on agreed voluntary targets.
- 1.3. King IV in Part 5.3, Paragraphs 10 and 11 and Principle 7, recommends that diversity across a variety of attributes should be promoted by the Board and targets set for race and gender representation in its membership.
- 1.4. King V further strengthens board oversight and diversity requirements to focus on:
  - 1.4.1. Embedding diversity of skills, experience, and demographics deeper into governance.
  - 1.4.2. Ensuring boards have the necessary competence, including digital and sustainability literacy.

1.4.3. Emphasising that diversity is not a "box-ticking" exercise but a driver of real, sustainable value.

1.5. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage.

## **2. OBJECTIVES**

2.1. The overall objective of this policy is to ensure that diverse appointments are made to the Board of the Company and to ensure that the Board has the appropriate composition for it to execute its duties effectively.

2.2. When the Board is required to nominate a suitable candidate for appointment to the Board, due consideration will be given to differences in the skills, regional and industry experience, background, race, gender, age, culture and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and where possible should be balanced appropriately. All Board appointments should be made on merit, in the context of the skills, experience, independence and knowledge which the Board requires to be effective.

## **3. MEASURABLE OBJECTIVES**

3.1. The Board will discuss and agree annually on measurable objectives for achieving diversity in its composition and recommend them for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

3.2. The Board's objective is to ensure that at least 20 per cent of the Board is comprised of women.

3.3. The Board's objective is to ensure that at least 20 per cent of the Board is comprised of black persons as defined in the Broad-Based Black Economic Empowerment Act, 2003 as amended from time to time.

## **4. REPORTING**

4.1. The Board shall annually:

4.1.1. Review the voluntary targets, considering that a Board member or potential Board member could contribute to both gender and race targets;

4.1.2. Measure the actual female representation on the Board against the voluntary targets;

4.1.3. Measure the actual racially diverse representation on the Board against the voluntary targets;

4.1.4. Measure the overall diversity of the Board considering further diversity attributes of culture, age, field of knowledge, skills and experience.

4.2. The Company will report annually, in the corporate governance section of the integrated report, on how the Board has considered and applied the policy on the promotion of broader diversity in the nomination and appointment of directors. If applicable such report will include the progress made towards achieving those objectives and the agreed voluntary targets.

4.3. Currently the Board consists of 25% female appointments and 0% of black persons, as defined in the Broad-Based Black Economic Empowerment Act, 2003 as amended from time to time.

## **5. REVIEW OF POLICY**

5.1. This policy will be reviewed by the Board periodically, no less frequent than annually, and be amended as appropriate. The review will include an assessment of the effectiveness of the policy.