

CROOKES BROTHERS LIMITED

("CBL" or "the Company")

POLICY ON GENDER AND RACE DIVERSITY APPOINTMENTS ON THE BOARD OF DIRECTORS

1. INTRODUCTION

Paragraphs 3.84 (i) and (j) of the JSE Listings Requirements provide that the board of directors or nomination committee, as the case may be, must have a policy on the promotion of gender and 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 gender and 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."

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.

CBL 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. This policy should be read in conjunction with the ***Policy and Procedures Relating to Appointments to the Board of Directors***.

2. PURPOSE

To set out the policy for the promotion of gender and race diversity on the Board of the Company.

3. OBJECTIVE

3.1 The overall objective of the policy is to ensure that gender and race 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.

3.2 When the Nominations Committee is requested 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 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 as a whole requires to be effective.

4. MEASURABLE OBJECTIVES

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

At the date of adoption of the initial gender diversity policy, the Board's objective was to ensure that at least 20 per cent of the Board was comprised of women by the end of March 2018 and for that position to have exceeded 25 per cent by the end of March 2020.

At the date of adoption of this policy, the Board's objective was to ensure that at least 20 per cent of the Board was comprised of black persons as defined in the Broad-Based Black Economic Empowerment Act, 2003 as amended from time to time, by the end of March 2018 and for that position to have exceeded 30 per cent by the end of March 2020.

5. REPORTING

The Nominations Committee shall annually:

- a. Review the voluntary targets, taking into account that a Board member could contribute to both gender and race targets;
- b. Measure the actual female representation on the Board against the voluntary targets;
- c. Measure the actual racially diverse representation on the Board against the voluntary targets; and
- d. Make recommendations to the Board in regard to 5a, 5b and 5c above.

The Company will report annually, in the corporate governance section of the integrated report, on how the Nominations Committee has considered and applied the policy on the promotion of diversity in the nomination and appointment of directors. If applicable such report will include:

- a. A summary of this policy;
- b. The measurable objectives set for implementing the policy; and
- c. The progress made towards achieving those objectives and the agreed voluntary targets.

6. REVIEW OF THE POLICY

This policy will be reviewed by the Nominations Committee periodically, but at least once per year, and be amended as appropriate. The review will include an assessment of the effectiveness of the policy.

The Board of Directors approved this policy relating to gender and race diversity on the Board of the Company as set out above on 5 June 2019.