



THE SPAR GROUP LIMITED

Reg. No. 1967/001572/06

("the Company" or "SPAR")

BOARD DIVERSITY POLICY

Effective date:	9 February 2016
Review cycle:	Triennial
Document retention period:	Permanent
Complied by:	Company Secretary
Reviewed and support by:	Nominations Committee and Board
Target users/audience:	All stakeholders

DESCRIPTION OF LAST THREE REVISIONS		BY	DATE
Originating policy	Company Secretary	- Nominations Committee and Board	9 February 2016
Reviewed and revised	Company Secretary	Nominations Committee	14 November 2016
Reviewed and revised to take into consideration race diversity at board level in line with the JSE LR's	Company Secretary	Nominations Committee and Board	7 August 2018
Review, no change		Nominations Committee	10 August 2021
Targets reviewed, no change		Nominations Committee	10 August 2022

1. **INTRODUCTION**

The Board of Directors (“the Board”) of The SPAR Group Limited supports the principles and objectives of the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice and acknowledges the requirements of the King IV Code on Corporate Governance and the JSE Limited Listings Requirements.

The Board further acknowledges the importance of diversity in the boardroom as a driver of board effectiveness and recognises and embraces the benefits of having a diverse board and sees race and gender diversity at board level as an essential element to transformation across the Company.

2. **PURPOSE**

This policy sets out the approach to board diversity and has been developed in order to guide and assist the Board and its Nomination Committee in attaining race and gender diversity at board level.

3. **SCOPE**

This policy applies to the Board of Directors of The SPAR Group Limited.

4. **DEFINITIONS**

- 4.1 **Black people** as defined in the Board-Based Black Economic Empowerment Amendment Act, 2013, is a generic term which means Africans, Coloureds and Indians who are citizens of the Republic of South Africa by birth or descent.
- 4.2 **Diversity** encompasses diversity of perspective, experience, personal attributes, age and background.
- 4.3 **Gender diversity** is a significant aspect of diversity and acknowledges the role that women with the right skills and experience can play in contributing to diversity of perspective not only in the Boardroom, but also within the Company.
- 4.4 **Race** refers to an individuals race, colour, nationality and ethnic or national origins.

5. **REQUIREMENTS**

All appointments to the Board will be made on merit while taking into account suitability for the role, board balance and composition, the required mix of skills, background, experience, race and gender.

The Company’s Human Resources department will develop and implement appropriate policies, programmes and initiatives designed to promote diversity at all levels of the Company and to ensure, amongst other things, that there is a supply of black people and women within the Company who are qualified and capable of taking up directorships, as well as, senior positions, which is to be supported by proper record keeping.

The Board, through its Nomination Committee:

- will continually review and evaluate its composition and balance to ensure that the Board and its Committees have the appropriate mix of skills, experience, independence and knowledge to ensure its continued effectiveness in providing value to the Company's stakeholders over the short, medium and long term. In doing so, the Board will take into account diversity of race and gender;
- will satisfy itself that plans are in place for orderly succession of appointments to the Board and its Committees, so as to maintain race and gender balance and to ensure progressive representation of black people and women on the Board and its Committees;
- will consider suitably qualified candidates for both executive and non-executive director roles from as wide a pool as appropriate, including candidates with little or no previous listed company board experience but whose skills and experience will add value to the Board;
- will make use of its existing networks and where appropriate, brief executive search consultants engaged in the selection process for non-executive directors to review candidates from a variety of backgrounds and perspectives. They will be required to work to a specification required to meet the essential criteria for the specific role which includes the benefits of race and gender diversity; and
- will ensure that there is appropriate and meaningful disclosure in the Company's annual report on the:
 - promotion of race and gender diversity;
 - composition and structure of the Board and its Committees;
 - outcome of Board evaluation and any material actions arising;
 - board appointment process; and
 - initiatives the Company has in place and the steps it is taking to promote diversity at board level and across the Company.

6. **OBJECTIVES**

The Board diversity targets are as follows:

- That a minimum of three black people be appointed to the Board.
- That a minimum of two females are appointed to the Board.

The Board may at any given time seek to improve one or more aspects of its race and gender diversity targets and measure progress accordingly.

7. **ADMINISTRATION OF THIS POLICY**

The custodian of this policy is the Group Secretariat Department who will be responsible for the administration, revision, interpretation and application of this policy, which will be reviewed triennially or as and when required.

Any alternation of this policy is subject to approval by the Board/Nomination Committee.

This policy was approved by the Board on 7 August 2018 and becomes effective immediately on approval.