Board Diversity Policy

Table of contents

1. Introduction 3
2. Policy statement and objective 3
3. Scope and application 3
4. Role 3
5. Reporting lines 4
6. Revision 4
7. Approval 4

1. Introduction

As stipulated by the JSE Ltd's ("JSE") listings requirements, KAP Ltd ("KAP" or the "Company") has adopted the corporate governance principles of the King IV Report on Corporate Governance for South Africa, 2016 ("King IV"). The JSE, King IV and the International Corporate Governance Network promotes the adoption of a policy for achieving appropriate diversity at board level. As a good corporate citizen, KAP endeavours to comply with the provisions, requirements and recommendations of applicable laws, regulations and best-practice codes. This board diversity policy has been developed to guide and assist the board of directors of KAP (the "Board") in attaining not only gender and race, but broader diversity at Board level.

Note: references to "the Group" shall include all companies in the KAP group of companies.

2. Policy statement and objective

The Board believes that for purposes of the optimum composition of the Board, diversity should manifest in business and industry skills, qualifications and knowledge, industry experience, commercial experience and background, culture, age, race, gender and other distinctions between and among individuals, including ethnicity and geographical differences.

The Board recognises that diversity in its composition is sound business practice and that in the South African context, the promotion and implementation of gender and race diversity at Board level, are critical to achieve progressive and sustainable transformation in the long term.

The Board believes that KAP has a sound reputation, and the adoption of this policy will serve as evidence of its commitment to diversity and inclusion and will strengthen its external perception as a good corporate citizen.

The objectives of this policy are to:

- promote, encourage and achieve appropriate diversity at Board level;
- provide guidance for establishing an optimally diverse and balanced Board; and
- to demonstrate the Group's commitment to transformation at the highest decision-making level in the Group.

This policy sets out guidelines for the nomination committee to attract and appoint competent individuals with diverse attributes, whose appointments will contribute to or maintain the Board's targeted levels of diversity.

3. Scope and application

This policy applies:

- to the Board and not to employees of the Group; and
- equally to any appointment of executive, non-executive and/or alternate directors of the Board.

Application of this policy in effecting new or replacement appointments to the Board is subject to the approval/ratification by shareholders of such appointments at the Company's first general meeting following any director appointment by the Board between two general meetings.

The Board shall be entitled at any time to amend and/or deviate from any of the terms of this policy where the Board, in its sole discretion, considers it appropriate to do so, provided that such deviation is permissible under legislation and/or regulation that may be applicable to the Group from time to time.

4. Role

Since the nomination committee's mandate is to review, monitor and assess Board and committee composition on an ongoing basis, and to recommend the appointment of new directors from time to time, the nomination committee is mandated to assist the Board in managing this policy by considering

the benefits of all aspects of diversity (as defined above), specifically including, but not limited to, gender and race diversity, when considering candidates for appointment to the Board in accordance with the guidelines set out herein.

In the pursuit of composing the optimum diverse and balanced Board, the nomination committee, on behalf of the Board, shall endeavour to:

- review the structure, size, and composition of the Board and make recommendations in terms of this policy to the Board for any changes, with a specific focus on the benefits of all aspects of diversity (as defined above);
- ensure that, collectively and to the extent possible, the Board reflects the diverse nature of the business environment, markets and society in which KAP operates;
- establish a Board in which the female gender represents not less than 30% of individuals and black people collectively represents not less than 30% of the individuals on the Board, which targets may be reviewed for relevance from time to time; and
- ensure that it fulfils the mandate as set out in the Board director nomination and appointment policy.

5. Reporting lines

The nomination committee, on behalf of the Board, shall report to KAP's shareholders in the Group's integrated report on how the Board has considered and applied this policy. The report will include an assessment of the effectiveness of the policy, the objectives set for appointing new directors of gender and race, and any progress made (if any) towards achieving those objectives.

6. Revision

The sustainability, social and ethics committee shall review this policy from a good corporate citizen and reputational risk perspective and make recommendation to the nomination committee in this regard to enable the nomination committee to review the policy and recommend any revisions to the Board for approval, as and when required.

7. Approval

Approved by the Board on 29 November 2024.

Patrick Quarmby
Chairperson of the Board