
Policy on promotion of gender and race diversity at board level

BOARD GENDER AND DIVERSITY POLICY

1 Purpose

- 1.1 This Board Gender and Diversity Policy ('the Policy') sets out the approach to gender and race diversity for the Board of Directors (the "Board") of York Timber Holdings Limited ("York").

Gender

- 1.2 In terms of paragraph 3.84 (k) of the JSE Listings Requirements:

"The board of directors or the nomination committee, as the case may be, must have a policy on the promotion of gender 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 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."

- 1.3 All annual reports issued on or after 1 January 2017 have to comply with this required disclosure.

Diversity

- 1.4 In terms of paragraph 3.84 (j) of the JSE Listings Requirements:

"The board of directors or the nomination committee, as the case may be, must have a policy on the promotion of 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 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."

- 1.5 All annual reports issued on or after 1 June 2018 have to comply with this required disclosure.

2 Policy Statement

- 2.1 York recognises and embraces the benefits of having a diverse Board, and sees increasing racial and gender diversity at Board level as an essential element in maintaining a competitive advantage. A diverse Board will include and make good use of differences in the skills, regional

and industry experience, cultural background, race, gender and other distinctions between members of the Board. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

- 2.2** The York remuneration and nomination committee (“the Committee”) reviews and assesses Board composition on behalf of the Board and recommends the appointment of new directors. The Committee also oversees the conduct of the annual performance evaluation and assessment of Board effectiveness. In terms of Regulation 43 (5) of the Companies Act No. 71 of 2008 (“the Act”), the York social and ethics committee (“the S & E Committee”) is required to report on, among others, the promotion of equality, diversity and the prevention of unfair discrimination.
- 2.3** In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity specifically including, but not limited to race and gender diversity, in order to enable it to discharge its duties and responsibilities effectively.
- 2.4** In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard to the benefits of diversity on the Board.
- 2.5** As part of the annual performance evaluation and assessment of the Board, Board committees and individual directors, the Committee will consider the balance and mix of skills, experience, independence and knowledge and the diversity representation on the Board, including race and gender, how the Board works together as a unit, and any other factors relevant to its effectiveness.

3 Measurable Objectives

Annually, the Committee will discuss and agree proposed objectives, including, without limitation, the setting of voluntary targets, for achieving diversity on the Board and recommend the same to the Board for approval and adoption. If and when appropriate, the Committee shall engage with the S & E committee in terms of seeking its guidance and input around both gender and race diversity at the Board level.

4 Monitoring and Reporting

The Committee will report annually to its shareholders in the corporate governance section of the York Integrated Annual Report, on the process adopted in relation to Board appointments and the consideration given to diversity on the Board in general and more specifically race and gender diversity.

If applicable, the Board or the Committee will further report progress in respect thereof against agreed voluntary targets.

5. Approval and Review of the Policy

5.1. This Policy was approved by the Board on 13 September 2017.

5.2. The Committee and when applicable, the S & E Committee, will review this Policy annually, and where required may propose any revisions thereto, to the Board for approval.