



FirstRand

FIRSTRAND LIMITED AND FIRSTRAND BANK LIMITED
BOARD DIVERSITY POLICY

March 2022

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1 PURPOSE

The purpose of this policy to promote broad diversity for members of the board of directors of FirstRand Limited (the group or FirstRand) and FirstRand Bank Limited (the bank or FRB) (collectively the board) to ensure an inclusive and diverse membership resulting in optimal and effective decision-making. The board recognises the benefits of diversity at board level and is committed to enhancing its current diversity targets to achieve these benefits.

This framework is informed by the JSE Limited Listings Requirements and the principles of the King IV Report on Corporate Governance for South Africa 2016 (King IV).

2 POLICY STATEMENT

The board believes that:

- having a diverse board promotes diversity of thought, that contributes to unique insights, perspectives, and solutions. This enhances decision-making and benefits the group, shareholders, and other stakeholders;
- the group's commitment to inclusion and diversity are reflected in FirstRand's Promises and code of ethics which are endorsed by the board; and
- it is critical that the overall membership of the board includes a diverse mixture of attributes, including gender, race, culture, age, skills, geographical experience and expertise, professional qualifications, and technical and industry expertise and experience.

3 POLICY PRINCIPLES

3.1 Legislative requirements and best practice

- In terms of the JSE Limited Listings Requirements, the group is required to comply with paragraph 3.84(i), as follows:

"the board of directors or the nomination committee, as the case may be, must have a 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. The issuer must confirm this by reporting to shareholders in its annual report on how the board or directors or the nominations committee, as the case may be, have considered and applied the policy of broad diversity in the nominations and appointment of directors. If applicable, the board of directors or the nominations committee must explain why any of the above diversity indicators have not been applied and further report progress in respect thereof on agreed voluntary targets."
- In terms of King IV principles:

"When determining the requisite number of members of the governing body, the following factors should be considered:

 - *the appropriate mix of knowledge, skills, and experience, including the business, commercial and industry experience, needed to govern the organisation.*
 - *The appropriate mix of executive, non-executive and independent non-executive members.*
 - *Diversity targets relating to the composition of the governing body.*

“The governing body should promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance, including field of knowledge, skills and experience as well as age, culture, race and gender.”

4 BOARD DIVERSITY TARGETS

The board should be comprised of individuals with a balance of skills, diversity and expertise including attributes such as gender, race, ethnicity culture, age, skills, geographical experience and expertise, professional qualifications, and technical and industry expertise and experience. The board members should collectively possess the necessary qualifications commensurate with the size, complexity, and risk profile of the FirstRand group. The members of the board are expected to:

- acquire a working knowledge and understanding of the FirstRand group’s business and the laws, regulations, and customs (if any) that govern the activities of the business.
- make sound business decisions and recommendations.
- exercise judgement independently; and
- always exercise stewardship and uphold the highest degree of ethics in all forms of conduct.

The voluntary and measurable race and gender diversity targets outlined in the table below have been set for the next three to five years for the FirstRand board.

Voluntary targets	Race diversity	Gender diversity
Short term (three to five years)	50% ACI* representation	30% female representation

*ACI (African, Coloured, and Indian)

5 MONITORING AND REPORTING

Directors are appointed through a formal and transparent process, in accordance with the process regulated for the appointment of directors and the FirstRand board diversity policy.

As guided by King IV, The FirstRand director’s affairs and governance committee (DAG) has appointed a standing committee, being the nominations committee, to specifically assist with the nomination, election, and appointment of directors and to ensure the establishment of formal process for the appointment of directors. The nominations committee will therefore make recommendations for the appointment of new directors and actions necessary to meet voluntary targets as referred to above.

The DAG committee will report annually, in the corporate governance section of the integrated reporting suite, in relation to board appointments and the consideration of broader diversity and progress towards achieving these targets will be assessed and reported in the integrated report.