

HOSPITALITY PROPERTY FUND LIMITED

BOARD DIVERSITY POLICY

1. Purpose

- 1.1 The aim of this policy is to ensure that Hospitality Property Fund Ltd (“HPF”) has in place objectives for achieving diversity at Board level. For the purposes hereof, “diversity” includes gender, age, ethnicity and cultural background.
- 1.2 On 30 November 2015, the Johannesburg Stock Exchange (“JSE”) amended its Listings Requirements to add a disclosure obligation to the implementation of gender diversity at board level.
- 1.3 King IV provides that the Board 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.

2. Policy statement

- 2.1 The HPF Board recognises the need, 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. A diverse Board will include and make good use of differences in the skills, regional and industry experience, 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 HPF 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. As part of this process, the Committee will, amongst other matters, consider the balance of skills, experience, expertise and independence, including gender, age, ethnicity and cultural background as well as the Board effectiveness as a unit.
- 2.3 The Committee, in reviewing Board composition, will consider the benefits of all aspects of diversity including, but not limited, to those described above, to allow the Board to discharge its duties and responsibilities effectively.
- 2.4 In identifying suitable candidates for proposed Board appointments, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- 2.5 The Committee shall engage with Hospitality’s Social & Ethics committee (“S&E committee”) in terms of seeking its guidance on diversity at Board level.

3. **Measureable objectives**

Annually, the Committee will discuss and agree proposed objectives for achieving diversity on the Board and recommend the same to the Board for approval and adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

4. **Monitoring and reporting**

In terms of Regulation 43 (5) of the Companies Act No. 71 of 2008 (“the Act”), the Hospitality’s S&E committee is required to report on, among others, the promotion of equality, diversity and the prevention of unfair discrimination. The S&E committee report will refer to the report of the Committee in relation to the adoption and implementation of this policy.

The Committee will report annually to its shareholders in the corporate governance section of the Hospitality 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 gender and race diversity. Such report will include a narrative on how the Board or the Committee, have considered and applied this Policy in the nomination and appointment of new directors, the measurable objectives set for implementing the policy and how progress have been made towards achieving those objectives.

5. **Approval and review of the policy**

This policy was approved by the Chairman of the Committee and the Chairman of the Board and will be reviewed annually.



CHAIRMAN
SOCIAL & ETHICS COMMITTEE

16 May 2017

DATE



CHAIRMAN
HOSPITALITY PROPERTY FUND LTD

11 Augusts 2017

DATE