CLICKS GROUP LIMITED

King V Disclosure Framework

Introduction

The King V Report on Corporate Governance for South Africa (King V) came into effect for companies with financial years beginning on or after 1 January 2026. During the 2026 financial year the Clicks Group applied the principles of King IV and following the publication of King V, commenced transitioning to the new code. This disclosure schedule sets out how the group has applied King IV and the progress in adopting King V.

Governance at the Clicks Group

The board and executive management are accountable for the group's governance which is critical to executing its strategic objectives, ensuring sustainability and meeting stakeholder expectations. A consistent focus on corporate governance has supported the group's sustained performance. The board continues to hold itself accountable for ensuring that the group delivers on the outcomes of accountability, transparency, ethical management and fairness.

PRINCIPLE 1

The board leads ethically and effectively as the focal point of corporate governance in the organisation.

EXCEPTION DECLARATION

All recommended practices in relation to principle 1 have been implemented.

SPECIFIC DISCLOSURE

- The board is responsible for the establishment and maintenance of the ethical culture of the group and its corporate governance. The board ensures that the group's ethical standards are clearly articulated and supported as an integral part of conducting business.
- The scope of authority, responsibility, composition and functioning of the board is contained in a formal charter which is regularly reviewed. Each board committee has terms of reference which are approved by the board and reviewed annually by the relevant committee and by the board. The group has a code of conduct, which is enforced, and group values which support ethical behaviour.
- All board members are suitably qualified for their roles as directors and have extensive business experience and specialist skills, including retail, commercial, governance, human resources, remuneration, accounting and finance, legal, healthcare and information technology (IT). This enables them to provide balanced and independent advice and judgement in the decision-making process.
- An independent evaluation of the board, its committees and the company secretary was conducted in 2026. The review was undertaken through in-depth director interviews, online survey, governance document review and analysis of board dynamics. Based on the review, the board was assessed as a strong effective board that is engaged and well regarded. The evaluation identified opportunities for further strengthening long-term strategic alignment, anticipating risk and partnering with management to drive sustained growth and superior shareholder returns, areas which the board will be looking to incorporate into its governance practices.

References
Refer to the corporate governance report on pages 32 to 35 of the integrated annual report.

PRINCIPLE 2

The board governs the ethics of the organisation in a way that enables an ethical culture and responsible corporate citizenship.

EXCEPTION DECLARATION

All recommended practices in relation to principle 2 have been implemented.

SPECIFIC DISCLOSURE

- The group subscribes to high ethical standards of business practice. A set of values, policies and a code of conduct approved by the board require all employees to adhere to ethical business practices in their relationship with one another, suppliers, intermediaries, shareholders and investors.
- The board is responsible for ensuring that the group's ethical norms and policies are appropriate and are enforced, a responsibility that it discharges through the social and ethics committee.
- The group has documented processes covering the detection, investigation and prosecution of dishonest conduct such as fraud, theft and corruption committed by staff or external parties against the group. A firm stance is taken against fraud and in the prosecution of offenders. Staff are encouraged to report suspected fraudulent or unethical behaviour via a toll-free whistle-blower line managed by an independent external service provider and can do so anonymously.
- The board, through the social and ethics committee, sets the direction and embeds the culture of the group relating to its corporate citizenship role. It provides strategic direction to the group, monitoring non-financial aspects of the business of the group and ensuring that it acts responsibly towards stakeholders that have legitimate interests in its affairs. The group chief executive officer (CEO) is ultimately responsible for the execution of the group's activities in relation to its corporate citizenship, which are reviewed and monitored by the board through the social and ethics committee.
- The group has implemented various initiatives and programmes to contribute to community development through its corporate social investment programmes.

References
Refer to the corporate governance report on **pages 32 to 35** of the integrated annual report.
Refer to the social and ethics committee report on the company's website at **www.clicksgroup.co.za**.

PRINCIPLE 3

The board ensures that the organisation's purpose, strategy and business model support performance that creates sustainable value within the organisation's economic, social and environmental context.

EXCEPTION DECLARATION

All recommended practices in relation to principle 3 have been implemented.

SPECIFIC DISCLOSURE

- The board and executive management work closely in determining the strategic direction and objectives of the group.
- Material issues, risks and opportunities which could impact positively or negatively on the group's ability to create and sustain value are considered by the board. These material issues are reviewed annually by the board and management and, where relevant, internal, industry and macroeconomic factors are evaluated.
- Authority and responsibility have been delegated by the board to the CEO and the group executive committee for the implementation of the strategy and operational plans, and the ongoing management of the business. This responsibility is cascaded throughout the group and the group's strategies are incorporated into operating plans and budgets by business and function.
- The board oversees the implementation of strategy and operational plans against the agreed performance measures and targets. This takes place at quarterly board meetings and through receipt of information in the monthly group management accounts.

References
Refer to the business model disclosure on **pages 12 to 14** of the integrated annual report.
Refer to the material issues, risks and opportunities on **pages 15 to 18** of the integrated annual report.

PRINCIPLE 4

The board ensures that external reports issued by the organisation enable stakeholders to make informed assessments of how the organisation creates, preserves and erodes value within its economic, social and environmental context over the short, medium and long term.

EXCEPTION DECLARATION

All recommended practices in relation to principle 4 have been implemented.

SPECIFIC DISCLOSURE

- The board is responsible for the integrated annual report, annual financial statements and all other statutory reporting on key matters affecting the group and its stakeholders.

References
The board approved the disclosure framework. Refer to the:
- **integrated annual report**;
- **audit and risk committee report**;
- **remuneration report**;
- **social and ethics committee report**; and
- **annual financial statements**.

PRINCIPLE 5

The governing body ensures that its composition is balanced with respect to the mix of competencies, diversity and independence that enables it to discharge its obligations objectively and effectively.

EXCEPTION DECLARATION

All recommended practices in relation to principle 5 have been implemented.

SPECIFIC DISCLOSURE

- The group has a unitary board structure. At present there are nine directors: two salaried executive directors and seven independent non-executive directors.
- The board, through the nomination committee, is satisfied it has an appropriate balance of knowledge, skills, experience, diversity and independence to be able to fulfil its duties and responsibilities to stakeholders. The board's mix of knowledge, skills and experience include retail, commercial, governance, human resources, remuneration, accounting and finance, legal, IT, healthcare and marketing.
- Disclosure of the progress in meeting its race and gender diversity targets at board level appears in the integrated annual report.
- The board is satisfied that the chairman is independent, which was confirmed by the board evaluation. The board also remains satisfied with the independence of the lead independent director.

References
Refer to the board of directors on **pages 29 to 31** of the integrated annual report.
Refer to the board diversity targets on **page 33** in the corporate governance report of the integrated annual report.
Refer to the corporate governance report on **pages 32 to 35** of the integrated annual report.

PRINCIPLE 6

The governing body ensures that arrangements for delegation to committees and individuals within its own structures promote the objective and effective discharge of its obligations.

EXCEPTION DECLARATION

All recommended practices in relation to principle 6 have been implemented.

SPECIFIC DISCLOSURE

- The board charter allows for the delegation of responsibilities to committees to assist the board in executing its duties, power and authorities. Each committee has terms of reference that set out the roles and responsibilities and are approved by the board.
- The board has appointed the following committees:
  - audit and risk committee;
  - remuneration committee;
  - social and ethics committee; and
  - nomination committee.
- In respect of the audit and risk committee:
  (i) It is satisfied with the arrangements for combined assurance and satisfied that these are effective.
  (ii) It is satisfied with the independence and performance of the external auditor.
  (iii) It is satisfied with the significant matters considered in relation to the annual financial statements, which have been suitably addressed.
  (iv) It is satisfied that the head of internal audit and the internal audit function are independent of the group and have delivered assurance in accordance with their authority.
  (v) It is satisfied that the chief financial officer (CFO) and the finance function are effective.
  (vi) It is satisfied that the design and implementation of internal financial controls are effective and that, should any significant weaknesses in internal financial controls exist, these are effectively addressed.
- In respect of the remuneration committee, the board is satisfied that it has reported in line with relevant legal requirements, including the Companies Amendment Act which came into effect on 22 May 2026.
- In respect of the social and ethics committee, the board is comfortable that it has reported in line with the relevant legal requirements and is constituted according to the Companies Act.
- In respect of the nomination committee, the board is satisfied that it is constituted in line with relevant legal requirements and has an independent role with direct accountability to the board.

References
Refer to the corporate governance report on **pages 32 to 35** of the integrated annual report.
Refer to the audit and risk committee report on **pages 4 to 6** of the annual financial statements.
Refer to the remuneration report on the company's website at **www.clicksgroup.co.za**.
Refer to the social and ethics committee report on the company's website at **www.clicksgroup.co.za**.

PRINCIPLE 7

The board ensures that the appointment and delegation to management promote operational effectiveness and that the respective roles and decision-making powers of the governing body and management are clearly defined.

EXCEPTION DECLARATION

All recommended practices in relation to principle 7 have been implemented.

SPECIFIC DISCLOSURE

- The board has delegated certain functions to its committees and other functions have been delegated via the CEO to the group's executive committee. The board charter distinguishes between those matters that are reserved only for the board and those that are to be delegated to management via the CEO, and the committees' terms of reference set out delegation to the committees. An authority matrix further delineates the competencies and authorities of various bodies and roles.

  The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities. Annual evaluations are conducted on the CEO and executive management to confirm their competence, which provides assurance to the board that the delegation of functions to executive management is appropriate.
- The board, through the nomination committee, considers CEO and executive leadership succession. The board is satisfied that the process adequately safeguards leadership continuity and the stability of the group. During the board evaluation, CEO succession was identified as an area which required additional focus, which will be undertaken during the 2027 financial year.
- The board has unrestricted access to the group company secretary. The competency of the group company secretary was assessed during the board evaluation and found to be satisfactory. In addition, other professional and independent experts are available to provide guidance to the board on its legal and corporate governance duties and to support its effective functioning.

References
Refer to the "board and executive relationship" section on **page 34** in the corporate governance report of the integrated annual report.
Refer to the executive management on **pages 40 and 41** of the integrated annual report.

PRINCIPLE 8

The governing body governs risk in a way that enables the organisation to sustain and optimise its strategy and objectives.

EXCEPTION DECLARATION

All recommended practices in relation to principle 8 have been implemented.

SPECIFIC DISCLOSURE

The board is responsible for the oversight of the risk management process and has delegated responsibility to the audit and risk committee.

- A risk framework approved by the board sets out the various risks that should be considered as part of the risk identification process. These potential risks are updated annually to ensure all relevant industry issues are considered.
- Actions monitoring the effectiveness of risk management are included in the group and business unit risk registers. These are regularly reviewed and discussed at audit and risk committee meetings, and an additional meeting of the audit and risk committee is now scheduled each year to allow a focused and dedicated discussion of risk items.
- The board is satisfied that the group's risk management process is effective in continuously assessing risks and opportunities and ensuring these risks are managed in line with business strategy.

Based on audit and risk committee oversight and assurance provided, the board is satisfied with the effectiveness of the risk management function and internal control framework. No significant weaknesses in internal controls have been identified during the period.

References
The integrated annual report contains details of material risks managed by the group on **pages 15 to 18** and an overview of the risk management process is highlighted in the **audit and risk committee report** which is included in the annual financial statements.

PRINCIPLE 9

The governing body governs compliance with applicable laws and adopted policies, non-binding rules, codes and standards in a way that promotes ethics and responsible corporate citizenship.

EXCEPTION DECLARATION

All recommended practices in relation to principle 9 have been implemented.

SPECIFIC DISCLOSURE

- The board is responsible for the governance of compliance with applicable laws and with adopted, non-binding rules, codes and standards. The board has delegated responsibility for implementation and execution of effective compliance management to executive management, which responsibility is primarily discharged by a group compliance officer under oversight of the group head of legal.
- Changes in legislation, the impact thereof on the group and the actions to be taken by management are reported on and monitored at audit and risk committee meetings. Should any material compliance issues or issues that required board consideration arise in a reporting period, these would be disclosed in the integrated annual report. No material penalties, fines and/or sanctions were imposed on the group in the period.
- Based on audit and risk committee oversight and assurance provided, the board is comfortable with the effectiveness of the risk management function and internal control framework. No significant weaknesses in internal controls have been identified during the period.

References
Refer to the audit and risk committee report on **pages 4 to 6** of the annual financial statements.

PRINCIPLE 10

The governing body governs data, information and technology in a way that enables the organisation to sustain and optimise its strategy and objectives.

EXCEPTION DECLARATION

All the material practices recommended in support of principle 10 have been implemented, with the exception of practice 109 and 110. Considering the rapid pace at which emerging, innovative and disruptive technologies evolve and the relative novelty of artificial intelligence (AI) adoption, oversight by the committee of these practices will receive significant attention and mature over time.

Assurance oversight to date has not included a specific ethics lens, which will be incorporated in future.

Considering the significance of the changes to this principle and the group's early application of King V, it is to be expected that most improvements and enhancements will be in respect of this principle.

SPECIFIC DISCLOSURE

- The governance of data, information and technology is the responsibility of the board which has delegated such oversight to the audit and risk committee. Based on audit and risk committee oversight and assurance provided, the board is comfortable that overall management and control of data and information is effective, compliant and ethical. The AI policy has been approved by the audit and risk committee while the AI strategy roadmap is under development. The board expects the formalisation of the strategy as part of the next phase of technology governance maturity.
- The board approves all significant IT investments in accordance with its authority levels. Information security policies that include disposal of IT assets have been implemented.
- The group has an information security policy and employee code of conduct policy which are reviewed annually and include the authorised use of IT.
- The group information officer is formally appointed and registered with the Information Regulator. In addition to statutory roles, the group information officer supports the implementation of policies and adherence to applicable regulations. Information security policies are implemented within the organisation to support confidentiality, integrity and availability of information; privacy of personal information; and monitoring of security information.
- The board is satisfied that, in respect to AI, the accountability for decisions, actions, outputs and outcomes is clearly established – including that automated technologies are subject to human oversight and override mechanisms that are commensurate with their level of risk to the group and its stakeholders. An AI policy, which governs the use of AI, supports the application of this principle. The group is aware that as AI becomes more prevalent and AI matures, the group's governance policies and practices will also need to mature.

References
Refer to the material issues, risks and opportunities on **page 16** of the integrated annual report.
Refer to the corporate governance report on **pages 32 to 35** of the integrated annual report.
Refer to the audit and risk committee report on **pages 4 to 6** of the annual financial statements.

PRINCIPLE 11

The board ensures that the organisation remunerates fairly, responsibly and transparently to promote sustainable value creation by the organisation within its economic, social and environmental context.

EXCEPTION DECLARATION

All recommended practices in relation to principle 11 have been implemented.

SPECIFIC DISCLOSURE

- The board is responsible for the governance of remuneration and on how remuneration should be approached. The board has delegated the responsibility for overseeing all elements of remuneration, including the remuneration philosophy and policy, and the implementation of the policy to the remuneration committee.
- The group's remuneration policy is aimed at driving a high-performance culture that creates sustainable value for shareholders. The reward principles of fair and responsible remuneration, market competitiveness and pay for performance are entrenched in the policy. The policy is transparent with a pay framework that clearly differentiates between occupational levels and pay grades that facilitate remuneration benchmarking for each job within a skill pool.
- The remuneration report available on the Clicks Group website (www.clicksgroup.co.za) discloses the remuneration of the board and meets the requirements of the Companies Act, No. 71 of 2008.
- The group values the views and insights of investors and encourages shareholders to proactively engage with management on remuneration issues to enable informed decisions to be made when voting on the group's remuneration policy and the remuneration implementation report.
- To ensure that executive management remuneration is fair and responsible in relation to overall employee remuneration, the remuneration committee considers benchmark information. In the context of the new Companies Act remuneration gap disclosures, the remuneration committee will enhance its evaluation of the outcomes of the gap and consider appropriate expert benchmarking advice on the reasonability of such gap ratios as this area evolves over time in response to more transparent disclosures.

References
Refer to the remuneration report on the company's website at www.clicksgroup.co.za.

PRINCIPLE 12

The board ensures that assurance functions and services promote an effective control environment and safeguard the integrity of external reports issued by the organisation.

EXCEPTION DECLARATION

All recommended practices in relation to principle 12 have been implemented.

SPECIFIC DISCLOSURE

- The audit and risk committee ensures that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities; the combined assurance received is appropriate to address all the significant risks facing the group; and monitors the relationship between the external assurance providers, internal assurance providers and the company.
- The audit and risk committee report included in the annual financial statements provides descriptions of the various assurance functions, services and processes underlying the preparation and presentation of the annual financial statements and integrated annual report. The directors' report included in the annual financial statements and the directors' approval of the integrated annual report include a statement by the board on the integrity of the reports and the basis for this statement, with reference to the assurance applied. Refer principle 6.

References
Refer to the audit and risk committee report on pages 4 to 6 of the annual financial statements.

PRINCIPLE 13

The board adopts a stakeholder-inclusive approach in the execution of its duties in the long-term best interests of the organisation within its economic, social and environmental context.

EXCEPTION DECLARATION

All recommended practices in relation to principle 13 have been implemented.

SPECIFIC DISCLOSURE

- The board has delegated responsibility for stakeholder management to the social and ethics committee and executive management who appraise the board of any key matters that arise and how these have been responded to.
- The group engages in open and transparent, mutually beneficial relationships. Qualitative and quantitative performance indicators have been developed for each primary stakeholder group to determine the outcome of the engagement, and these measures are refined on an ongoing basis.
- The board is satisfied that the group's stakeholder relationship management upholds the philosophy of responsible corporate citizenship and stakeholder inclusivity. The board is satisfied with the quality of the relationship with shareholders.

References
Refer to the social and ethics committee report on the company's website at www.clicksgroup.co.za.