

The background of the cover is a photograph of a large, mature tree with dense green foliage, standing in a grassy field under a clear blue sky. A large, semi-transparent green circle is overlaid on the image, centered behind the tree.

# GOVERNANCE REPORT **2025**



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# Governance

## APPROACH TO ETHICAL AND EFFECTIVE GOVERNANCE

The KAL Group Limited (“KAL”, “the Group” or “the company”) is committed to responsible and effective corporate governance. The role of the Board of directors (“the Board”) is to provide ethical and effective leadership to the Group and ensure a consistently high level of business performance. A range of mechanisms, policies, procedures, committee structures, and values enables this. The most material of these are described in this governance report (“report”).

## KING IV

In completing this report, the Board reviewed our alignment to and application of the King IV Report on Corporate Governance™ for South Africa, 2016 (“King IV”)<sup>1</sup> principles. We asked ourselves five questions:

- > Who are our stakeholders?
- > How does KAL create an ethical culture?
- > How does KAL ensure effective control?
- > How does KAL ensure good performance?
- > How does KAL ensure legitimacy?

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## WHO ARE OUR STAKEHOLDERS?

The Group identifies stakeholders based on the products our business segments provide. Stakeholders include those involved in creating and delivering products to the ultimate end-users.

We interact with 10 distinct stakeholder groups:

Priority	Stakeholder
A	Clients: This term encompasses all end-users. For example, a farmer may be the primary purchaser of a product, but the primary user could be a labourer on the farm. Our client base is predominantly determined by our geographic representation, emphasising participants in the commercial agricultural and retail sectors and covering all income groups and market segments.
A	Employees: All persons employed by the Group to enable KAL's value-creation activities. Their skills range from retail sales to logistics, procurement, manufacturing, seed processing and support services.
A	Suppliers: Due to our diverse product offering, the Group has a range of suppliers who supply, among other things: <ul style="list-style-type: none"> <li>&gt; Agri-chemicals</li> <li>&gt; Agri-infrastructure</li> <li>&gt; Animal feed</li> <li>&gt; Fertilisers</li> <li>&gt; Horticulture</li> <li>&gt; Mechanisation services and products</li> <li>&gt; Packing material</li> <li>&gt; Automotive and lubricants</li> <li>&gt; Building materials</li> <li>&gt; Clothing and personal protective equipment</li> <li>&gt; Fast-moving consumer goods</li> <li>&gt; Gas</li> <li>&gt; Hardware</li> <li>&gt; Homeware and appliances</li> <li>&gt; Irrigation products</li> <li>&gt; Lighting and electrical products</li> <li>&gt; Liquor</li> <li>&gt; Outdoor products</li> <li>&gt; Paint</li> <li>&gt; Pet and animal products</li> <li>&gt; Pool and gardening products</li> <li>&gt; Sanware and plumbing products</li> <li>&gt; Tools</li> <li>&gt; Fuel</li> <li>&gt; Solar and alternative energy equipment</li> </ul>
A	Financiers: Our ability to provide financing solutions to our clients depends on our relationships with credit providers. Our financing solutions include services and loans we obtain from a South African bank.
A	Shareholders: The Group was listed on the speciality retailer sector of the Main Board of the JSE Limited ("JSE") on 26 June 2017. During the financial year ("the year"), there were 13,505,119 shares to the value of R606,826,166.37 traded. The Group is currently listed on the Premium Segment of the JSE's Main Board.
A	Government and regulators: The Group adheres to regulations and laws prescribed for the various industry segments in which it operates. These include licences to operate our fuel business and compliance with broad-based black economic empowerment ("B-BBEE") requirements.
A	Media: The media plays a crucial role in ensuring that stakeholders are appropriately informed of the Group's financial performance (excluding closed periods) and key business developments, including updates on products and services. This communication is essential not only for maintaining transparency and stakeholder confidence but also for strengthening the Group's brand credibility and supporting its ongoing brand development and market positioning.
B	Society: KAL defines society as the farming and local communities surrounding our operations. These include stakeholders influenced by our corporate social investment ("CSI") activities, such as educational institutions. In many communities and towns, the Group is the largest and only employer, as well as the provider of products and services, often outside its usual product and business parameters. This is how we contribute to society.
B	Industry bodies: We leverage effective operations across a broad geography through affiliation and association with relevant industry bodies such as Business Unity South Africa and Agbiz.
B	Bargaining councils: KAL complies with collective agreements negotiated with bargaining councils, which we view as valued partners. We liaise with council officials to clarify employee matters and ensure we apply all agreements fairly. These engagements support our business by prompting employee support offerings.



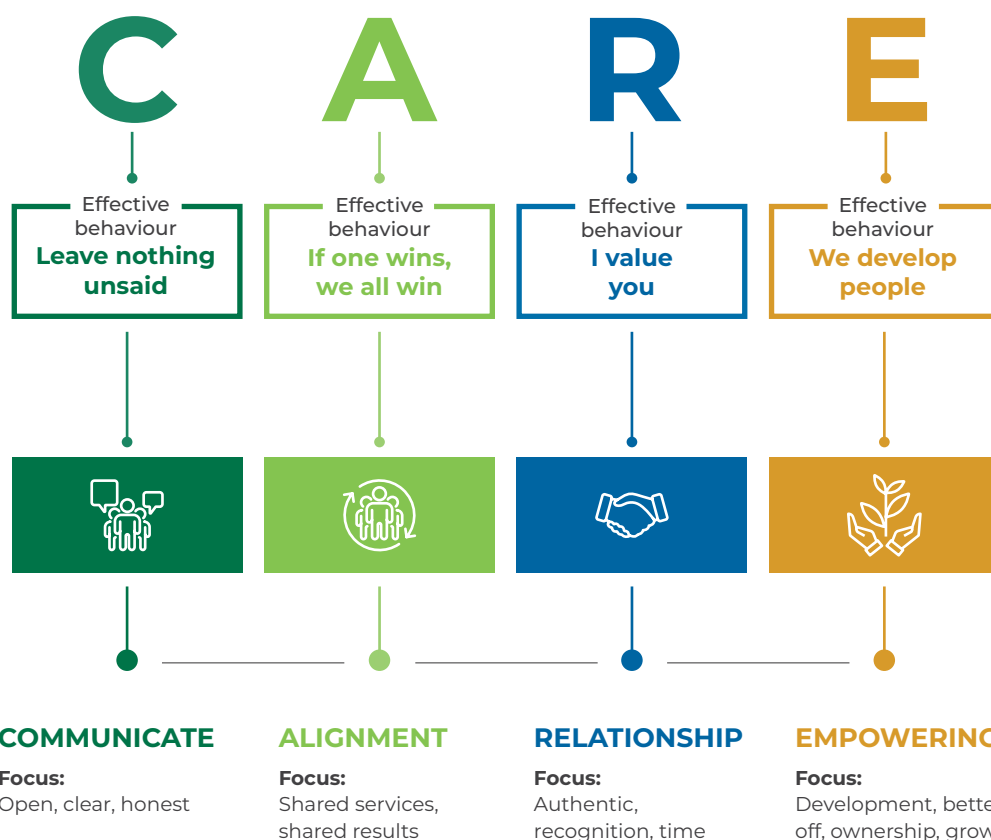
Primary



Secondary

## HOW DOES KAL CREATE AN ETHICAL CULTURE?

We encourage ethical and accountable behaviour through a distinct Group culture, captured by a commitment to the following values:



Ethical decisions are rooted in a commitment to a robust code of ethics that applies to all employees. The Board charter stipulates ethical expectations for its members' behaviour. The internal audit function aligns all activities with the code of ethics and the International Standards for the Professional Practice of Internal Auditing.

Clear guidelines from the Group's code of ethics support ethical behaviour and provide mechanisms for correction, e.g. the internal whistleblowing facility operated by Deloitte. Transgressions are addressed, and remedial action is taken in accordance with the Group's disciplinary code.

The supplier trade agreement and conditions of supply policy include a specific section on ethics, and suppliers are expected to take action in the event of a breach.

As several non-executive directors are direct or indirect customers of and have ongoing business with the Group, KAL discloses the value of such related-party transactions in the annual financial statements ("AFS") on page 98 of the 2025 integrated report.

## HOW DOES KAL ENSURE EFFECTIVE CONTROL?

We ensure effective control by properly managing and mitigating risks and basing decisions on quality information within clearly defined roles and responsibilities. To support effective control, KAL has a Board-approved decision-making framework that clearly defines levels of accountability and authority.

KAL uses a combined assurance model to ensure the accuracy of information used in key decision-making activities. Key elements of the combined assurance model are summarised below.

### 1st line of defence

### 2nd line of defence

### 3rd line of defence

#### Operational departments

Management and the Board approve annual capital budgets. The decision-making framework determines authority to act on behalf of the company, with the finance department providing final approval. Middle management oversees employees' day-to-day operations.

The Financial Director acts as a gatekeeper. All payments must be approved by the finance department. The internal audit function, along with external auditors from time to time, continuously verifies that actions align with policies and procedures and guard against fraud and corruption. The legal and compliance departments assist when required.

On an operational level, final responsibility rests with the Group Executive committee. All managers report to executive directors.

#### Financing services department

Officials at branch level evaluate applications for credit.

Applications are evaluated and approved at central office.

The Financial Director must sign off on applications exceeding specific amounts set out in the credit policy.

The Finance committee approves the credit policy and must approve applications exceeding certain amounts. Underlying securities are subject to an annual review by external attorneys. Internal and external auditors monitor compliance with policies, assisted by the legal department.

#### Information management

We continuously monitor infrastructure availability and perform maintenance. Security coverage is provided for endpoints. Our email and firewall security is of a high standard, with backup and disaster recovery plans in place.

The compliance officer is responsible for the compliance function in co-operation with the internal audit and legal department. Contracts are negotiated and entered into in line with the decision-making framework and in co-operation with the legal department.

Final responsibility rests with the Group Executive committee.

#### Auditing processes

Managers at all levels oversee day-to-day operations, and final responsibility rests with executive directors.

Internal audit is responsible for monitoring effective compliance with policies.

External auditors are responsible for executing audits in line with accepted accounting practices.

#### General

Managers and employees in all divisions receive continuous training.

Processes and policies are in place to ensure compliance with good governance.

Risks are evaluated, and insurance cover is negotiated annually with a reputable insurer.

Directors have unlimited access to all personnel and information.

The Group's committees are mandated to ensure a level of control and governance in the business. Refer to page 6 for an overview of their purpose and composition.

In addition to internal audit's verification role, KAL has clearly defined policies covering key operational and risk areas. The Group developed a strategic risk register, identifying and rating risks based on their likelihood and potential impact on its strategic goals. Ratings were performed on the inherent risks (before mitigating measures were taken into consideration) and the residual risks (after mitigating measures were taken into consideration). More details about risk policies and approaches are available in the risk report, which forms part of the 2025 integrated report.

There are policies on the following subjects:

- > Conditions of service
- > Corporate governance
- > Dealing in securities
- > Ethics
- > Financing
- > Operational requirements
- > Organisational culture
- > Procurement
- > Protection of personal information
- > Remuneration
- > Socio-economic development ("SED")
- > Talent management
- > Whistleblowing

## HOW DOES KAL ENSURE GOOD PERFORMANCE?

KAL believes good performance can only be achieved by employing the right people. Therefore, we recruit individuals with the right skills and attitude who display values that align with our high-performance culture.

Value-generating performance starts with the Board. The Chairman ensures adequate capacity and expertise to support effective Board performance.

The Group Executive committee's performance is assessed annually with remuneration incentives linked directly to performance and attainment of objectives derived from the Group's strategy. Appropriate key performance indicators ("KPIs") are developed for each.

The Group Executive committee presents the proposed Group strategy to the Board for discussion and review at an annual strategy session. Strategic objectives include clearly defined targets for implementation. All business segments report on the outcomes of the strategy execution. Additionally, information derived from the reports provides valuable business intelligence to direct improvements and corrective actions.

Individual employee performance is incentivised through recognition and reward schemes, as well as short-term and long-term incentive schemes. Refer to our remuneration report on page 36 of the 2025 integrated report for details.

## HOW DOES KAL ENSURE LEGITIMACY?

Our legitimacy is based on our ability to create value for stakeholders. The Group seeks to be relatable to clients and customers, and to resolve issues ethically within our sphere of business influence. By providing access to quality products at a fair price, we enable clients to do business with us. We support our stakeholders' interests throughout our value chain and expand market opportunities for suppliers. Refer to the "Evolving our stakeholder engagement" section on page 17.

KAL also gains legitimacy through our brand, which has always been about community, and our people, who uphold a reputation for quality. We are a trusted company with longstanding relationships. Our people hold themselves accountable to our CARE values, and our CARE philosophy underpins engagement with our stakeholders. This principle defines the business as an accountable and highly engaged corporate citizen that considers our stakeholders' needs and interests. We ensure that our activities reflect the views and attitudes of our primary stakeholders while continuously forging mutually beneficial relationships with suppliers and other stakeholders.

## KING IV PRINCIPLES DISCLOSURE MAP

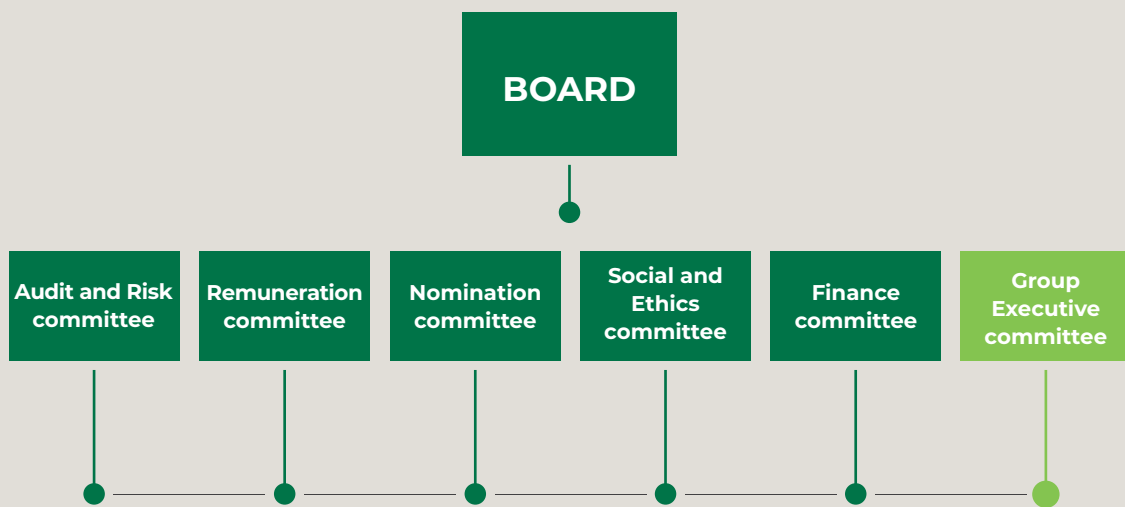
The Group explains its application of appropriate King IV principles in the disclosure map on the KAL website and is transparent in areas of non-compliance. The disclosure map provides a high-level overview of responses to the 16 applicable King IV principles, indicating the level of application and an explanation of the Group's King IV disclosure. Icons are used to indicate the maturity of such disclosure. Where relevant, references are made to other areas of the 2025 integrated report or this report, where detailed information can be found.

## GOVERNANCE STRUCTURE

The Board's key roles and responsibilities include acting as the focal point for and custodian of corporate governance, determining the Group's strategic objectives, and monitoring the implementation of its approved strategies, decisions, values, and policies. The Board is satisfied that it fulfilled the responsibilities required by its mandate during the year.

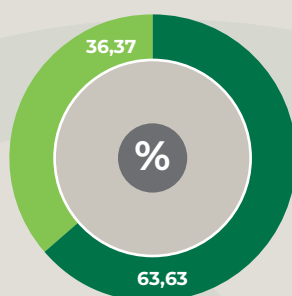
The Board is chaired by an independent non-executive director and has 11 members. The Board is supported by five committees, each with clear terms of reference that aid the execution of their duties and determine the due governance required in each business area.

The roles of the Chairman and the Chief Executive Officer ("CEO") are clear and separate. The CEO is responsible for overseeing the business's day-to-day operations in line with the Group's decision-making framework. The Group Executive committee, two members of which are Board members, supports the CEO. The Board is satisfied that the decision-making framework provides a clear basis for exercising duties and contributes to clarity and accountability. Additionally, the Board charter ensures an appropriate balance of power in the Board's deliberations, and no single director has unlimited or unfettered decision-making powers.



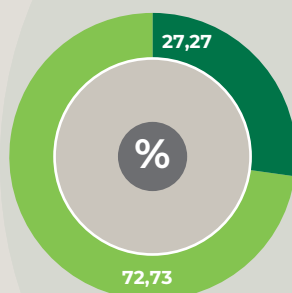
## BOARD STRUCTURE

### COMPOSITION AND EXPERTISE



■ Male  
■ Female<sup>1</sup>

**2**  
executive  
directors



■ Black<sup>1</sup>  
■ White

**9**  
independent  
non-executive  
directors

<sup>1</sup> The Board continuously strives to improve its composition to reflect the demographics of South Africa, focusing on black and female representation.



Field of expertise	Number of Board members
Financial markets and investments	6
Agriculture	7
General business	11
Mergers and acquisitions	6
Retail operations	5
Marketing	8
Logistics/supply chain	7
Transformation	9
Risk management	9
Legal	2
Human resources	7
Sustainability	9
Governance	8

The Board is satisfied that its current composition enables ethical and effective leadership and continues to strive to improve its diversity.

In terms of tenure, the Board members' profiles indicate appointment dates since the unbundling in 2011 and the establishment of KAL in its current form. Some Board members were involved with KAL prior to the unbundling.

The Board considered the performance of directors serving for longer than nine years and is satisfied that they are competent, objective, and unbiased in their decision-making.

## BOARD MEETING ATTENDANCE

Overall, Board meeting attendance was high and aligned with King IV recommendations, demonstrating the Board's commitment to high levels of governance and performance.

Member	Meetings attended
I Chalumbira*	1/4
D du Toit	3/4
T Kabalin	4/4
JH le Roux	4/4
B Mathews	4/4
EA Messina	4/4
AJ Mouton	3/4
CA Otto	4/4
GW Sim**	4/4
GM Steyn	4/4
S Walsh**	4/4
NR Nkosi***	–

\* Resigned from the Board with effect from 9 December 2024.

\*\* Executive.

\*\*\* Appointment on 01 November 2025 is subject to AGM approval.

## BOARD PROFILES AS AT 30 SEPTEMBER 2025

D du Toit (49)		Independent non-executive director
Appointment date:	March 2017	
Qualifications:	BCom (Hons)	
Committee membership:	Audit and Risk Remuneration	
Other board memberships:	<div> De Keur Beherend (Pty) Ltd  De Keur Agri (Pty) Ltd  De Keur Landgoed (Pty) Ltd  De Keur Marketing (Pty) Ltd  De Keur Berries (Pty) Ltd </div> <div> De Keur Verpakking (Pty) Ltd  Tipmar (Pty) Ltd  Witzenberg PALS NPO  Hortgro POME NPO  K2017414242 (South Africa) (Pty) Ltd </div>	
T Kabalin (50)		Independent non-executive director
Appointment date:	July 2024	
Qualifications:	BCom (Hons)	
Committee membership:	N/A	
Other board memberships:	Olakira (Pty) Ltd	
JH le Roux (51)		Independent non-executive director
Appointment date:	April 2014	
Qualifications:	CA(SA), HDip (Tax)	
Committee membership:	Finance (chairman) Audit and Risk	
Other board memberships:	<div> Bakenskraal Investments (Pty) Ltd  Zeder Corporate Services (Pty) Ltd  Zeder Financial Services Ltd  Zeder Investments Ltd </div> <div> Zeder Pome Investments (Pty) Ltd  Zaad Holdings (Pty) Ltd  Zaad Holdings (Pty) Ltd </div>	
B Mathews (56)		Independent non-executive director
Appointment date:	September 2022	
Qualifications:	CA(SA), HDip (Tax)	
Committee membership:	Audit and Risk Social and Ethics	
Other board memberships:	<div> Ca Vie Investments (Pty) Ltd  Casamiento (Pty) Ltd  PSG Financial Services Ltd  Nulise (Pty) Ltd  Agrinet (Pty) Ltd  We Buy Cars Holdings Ltd </div> <div> PSG Invest (Pty) Ltd  PSG Life Ltd  ITSI International (Pty) Ltd  Western National Insurance Company Ltd  The Trevor Huddleston Cr Memorial Centre NPO </div>	

EA Messina (68)		Independent non-executive director
Appointment date:	March 2017	
Qualifications:	BA (Hons), MA (Southern African Studies), MA (History), DPhil (History)	
Committee membership:	Social and Ethics (chairman) Nomination	
Other board memberships:	Cape Town Radio (Pty) Ltd Du Toit Group (Pty) Ltd LM Steel Investments (Pty) Ltd PEG Retail Operations (Pty) Ltd	
AJ Mouton (43)		Independent non-executive director
Appointment date:	April 2024	
Qualifications:	BCom (Law), BCom (Hons) Economics, MBA	
Committee membership:	Finance	
Other board memberships:	Carmien Tea (Pty) Ltd Citrus Juices Producers (Pty) Ltd Citrusdal Privaatskool Eiendomme (Pty) Ltd Emgro Mouton Citrus (Pty) Ltd Emgro Mouton Citrus Ltd Link Supply Chain Management (Pty) Ltd Mouton Citrus (Pty) Ltd Mouton Holdings (Pty) Ltd Noda Tech (Pty) Ltd Summer Citrus From South Africa NPO	
CA Otto (76)		Independent non-executive director
Appointment date:	November 2011	
Qualifications:	BCom (Law), LLB	
Committee membership:	Audit and Risk (chairman) Remuneration (chairman) Nomination	
Other board memberships:	Capitec Bank Ltd Capitec Bank Holdings Ltd Rational Expectations (Pty) Ltd Zeder Financial Services Ltd Zeder Investments Ltd	
GW Sim (55)		Financial Director (executive)
Appointment date:	August 2015	
Qualifications:	CA(SA)	
Committee membership:	Finance	
Other board memberships:	Agriplas (Pty) Ltd Empowerment and Transformation Investments (Pty) Ltd KAL Corporate Services (Pty) Ltd Agrimark Operations (Aussenkehr) (Pty) Ltd Agrimark Operations Ltd Agrimark Operations (Namibia) (Pty) Ltd Mirage Motors (Pty) Ltd Tego Plastics (Pty) Ltd PEG Retail Operations (Pty) Ltd PEG Retail Holdings (Pty) Ltd PEG Management Services (Pty) Ltd PEG Highway Operations (Pty) Ltd	

GM Steyn (66)		Independent non-executive director (chairman)
Appointment date:	May 2012	
Qualifications:	BA (Law), LLB	
Committee membership:	Remuneration Nomination (chairman)	
Other board memberships:	Agristar Holdings (Pty) Ltd Econo Foods Holdings (Pty) Ltd George en Miets Beleggings (Pty) Ltd GMS Beleggings (Pty) Ltd Leopard Creek 21 (Beleggings) (Pty) Ltd Neusberg Boerdery (Pty) Ltd NS Beleggings (Pty) Ltd RCL Foods Ltd Stellenkaroo (Pty) Ltd Platinum Stigting NPO	

NR Nkosi (40)*		Independent non-executive director
Appointment date:	November 2025	
Qualifications:	BSc (Agricultural Economics); MBA; PG Dip (Business Administration)	
Committee membership:	Finance Social and Ethics	
Other board memberships:	Agriqua Holdings (Pty) Ltd Aleeto Advisory (Pty) Ltd All In MM NPO Public Investment Corporation SOC Ltd Viridis AFC (Pty) Ltd	

\* Appointment on 01 November 2025 is subject to AGM approval.

S Walsh (59)		CEO (executive)
Appointment date:	November 2011	
Qualifications:	BEcon (Hons)	
Committee membership:	N/A	
Other board memberships:	Agriplas (Pty) Ltd Agrimark Operations Ltd Agrimark Operations (Namibia) (Pty) Ltd Tego Plastics (Pty) Ltd PEG Retail Operations (Pty) Ltd PEG Retail Holdings (Pty) Ltd PEG Management Services (Pty) Ltd PEG Highway Operations (Pty) Ltd	

KAL Corporate Services (Pty) Ltd		Company Secretary
(Reg No. 2020/841850/07)		
Appointment date:	November 2020	
Directors:	T Sulaiman-Bray and GW Sim	



## GOVERNANCE IN 2025

### Key governance initiatives for the year

The Board undertook the following key activities:

October 2024 to September 2025	October 2024 to September 2025	October 2024 to September 2025
Continuous online training provided on FICA; POPIA; Safety, Health, Environment and Quality ("SHEQ"); compliance framework and policy; King IV; F30 Strategy and performance metrics review and confirmation, among others.	Improving B-BBEE and communications strategies; developing and strengthening brand equity and positioning; and implementing environmental projects focusing on sustainability.	Focusing on internal financial control, risk assessment and a safe information technology environment.

### Approach to compliance

The Board recognises its responsibility to ensure compliance with all applicable laws and adherence to industry charters, codes, and standards.

The Audit and Risk committee is updated on compliance contraventions and material legal matters. The compliance officer works with the internal audit function and the Senior Manager: Legal and Company Secretariat department. The compliance officer obtains support from subject matter experts on speciality focus areas such as environmental law or B-BBEE compliance. These experts filter appropriate information to the compliance officer for action. The Audit and Risk committee monitors actions taken by the compliance officer and/or internal audit.

The Audit and Risk committee evaluates the internal audit plan in accordance with its mandate. The committee also considers internal audit's material findings and management's response to them. Internal audit has unlimited access to the Audit and Risk committee.

No material contraventions of any law, penalties, or fines were reported during the year. To the Group's knowledge, no material legal arbitration or other proceedings are pending or in progress. Refer to the report of the Audit and Risk committee on page 101 of the 2025 integrated report. To the best of their knowledge, the KAL directors have confirmed that KAL complied with the provisions of the Companies Act, 71 of 2008, as amended ("the Companies Act") and operated in accordance with the provisions of the company's Memorandum of Incorporation ("MOI") during the year under review.

### Conflicts of interest

Board members must state any conflicts of interest, financial or otherwise, at the start of each Board meeting. This includes directorships or positions in any other form of business. Board members are prohibited from gaining any undue benefit from their position, as outlined in the Board mandate to which each member subscribes.

The strong stakeholder-focused nature of our evolving Board means several members have interests in peripheral businesses that interact with the Group. These include roles as customers or service providers. Periodic scrutiny ensures none of these interests poses an undue influence on the individual's relationship with the Board. The Group deems these relationships to be negligible. Details are available in the notes to the AFS in the 2025 integrated report.

A register of directors' interests, within and outside the Group, is regularly updated. A conflict-of-interest declaration form is available to Board members. The Group's Chairman is not prohibited from serving on other boards, provided this is disclosed to the KAL Board. KAL's dealings in securities policy includes an annexure stating that directors, prescribed officers and the Company Secretary need permission to deal in KAL securities. Details of any dealings must be disseminated on the JSE Stock Exchange News Service ("SENS"). No dealing is permitted during prohibited periods. Certain employees, as determined by the CEO, need permission to deal in KAL securities. Employees are directed by policies on private interests, extramural activities and external remuneration to avoid conflicts of interest.

The Group has a gift register for recording the receipt of tangible and intangible gifts. The register protects employees from attempts by interest groups or suppliers to exert undue influence through gifts. Executive directors, non-executive directors and senior managers must disclose any gifts and record these in the register.

## COMMITTEES AND THEIR ROLES IN GOVERNANCE

The Group's committees facilitate the discharge of certain Board responsibilities with oversight, guidance and governance application in mandated areas. Each committee chairman reports to the Board to ensure comprehensive insight and appropriate decision-making at Board level. The qualifications and experience of members are detailed on pages 62 to 65 of the 2025 integrated report.

Committee	Members <sup>1</sup>	Meetings attended
Audit and Risk committee	<ul style="list-style-type: none"> <li>&gt; Chairman: CA Otto<sup>2</sup></li> <li>&gt; D du Toit<sup>3</sup></li> </ul>	2/2
Total meetings: 2	<ul style="list-style-type: none"> <li>&gt; B Mathews<sup>3</sup></li> <li>&gt; JH le Roux</li> </ul>	2/2
	<b>Invitees</b> <ul style="list-style-type: none"> <li>&gt; GM Steyn – Independent non-executive director</li> <li>&gt; S Walsh – Executive director (CEO)</li> <li>&gt; GW Sim – Executive director (Financial Director)</li> <li>&gt; GC Victor – Group Manager: Finance</li> <li>&gt; P Steyl – Executive Manager: Internal Audit</li> <li>&gt; JHW de Kock* – Designated Audit Partner, Deloitte</li> <li>&gt; D Steyn# – Designated Audit Partner, Deloitte</li> </ul>	2/2
<b>Mandate</b>		

The committee assists the Board by providing an objective and independent view on the Group's finance, accounting and control mechanisms.

During the year, the following was actioned:

- > The Group's accounting policies were reviewed, and the committee is satisfied that the policies are in line with generally accepted accounting principles.
- > The effectiveness of the Group's information systems and internal controls was established.
- > External auditors were appointed and their effectiveness was monitored. This included minimising the use of external auditors for non-audit services.
- > The 2025 integrated report and the AFS therein were reviewed and approved.
- > Regarding the AFS, the committee focused on ethics and governance, controls, provisioning, impairment, tax compliance, correctness, and accuracy. The Group addressed these considerations through proper provisioning in terms of existing policies.
- > The committee considered presentations by internal audit on ethics, governance, and controls, as well as management reports on operational and financial matters. Recommendations were made to the Board on several matters. The committee deems the internal financial controls of the Group to be adequate.
- > The committee reviewed the Group's risk assessment, assessment of the controlled environment, and governance. This was done to ensure risks are properly addressed and that the level of compliance, with proper governance, aligns with expectations. The committee is satisfied with the outcomes of these evaluations.
- > The external auditor's reports were reviewed, and appropriate action was taken.
- > The Group's going concern status and compliance with applicable legislation and regulatory authorities' requirements were confirmed.
- > Through consultation with the external auditor, the committee ensured management's processes and procedures adequately identify, assess, manage and monitor Group-wide risks.

<sup>1</sup> All committee members are independent non-executive directors.

<sup>2</sup> Chairman from 4 May 2017. Re-appointed to the committee at the AGM held on 6 February 2025.

<sup>3</sup> Re-appointed to the committee at the AGM held on 6 February 2025.

\* Resignation from Deloitte with effect from 31 January 2025.

# Appointed by Deloitte with effect from 1 February 2025.

Committee	Mandate
Audit and Risk committee (continued)	<ul style="list-style-type: none"> <li>&gt; The committee recommended the external auditor's appointment and determined its compensation. The external auditor, Deloitte, with JHW de Kock as the designated audit partner, provided audit services to the Group from 1 October 2024 to 31 January 2025. The external auditor, Deloitte, with D Steyn as the designated audit partner, following the resignation of JHW de Kock, has provided audit services to the Group from 1 February 2025. The committee is satisfied that the external auditor is independent of KAL, as outlined in section 94(8) of the Companies Act, and suitable for re-appointment by requesting and considering, among other things, the information stated in paragraph 3.84(g)(ii) of the JSE Listings Requirements.</li> <li>&gt; The audit partner used by Deloitte is regularly rotated, and the committee is satisfied with the arrangements for the external audit and the effectiveness of D Steyn, the designated audit partner. The committee deemed the quality of the audit performed this year as satisfactory. The independent auditor's report indicates that the Group's financial statements fairly reflect the company's financial state in accordance with International Financial Reporting Standards ("IFRS") and requirements of the Companies Act. The Group complies with legislative and JSE requirements, rotating audit partners every five years.</li> <li>&gt; The committee appraised and is satisfied with the appropriateness, expertise and experience of the Financial Director, who drives the overall effectiveness of the Group's finance function.</li> <li>&gt; The committee is satisfied that appropriate financial reporting procedures are in place and are operating.</li> <li>&gt; The Group's combined assurance model ensures that actions align with good governance management. The committee deems it effective.</li> </ul>

Committee	Members <sup>1</sup>	Meetings attended
Remuneration committee	<ul style="list-style-type: none"> <li>&gt; Chairman: CA Otto</li> <li>&gt; GM Steyn</li> </ul>	2/2
Total meetings: 2	<ul style="list-style-type: none"> <li>&gt; D du Toit</li> </ul>	2/2
	<b>Invitees</b> <ul style="list-style-type: none"> <li>&gt; S Walsh – Executive director (CEO)</li> <li>&gt; GW Sim – Executive director (Financial Director)</li> <li>&gt; DC Gempies – Executive: HR (subsidiary – Agrimark Operations Ltd)</li> <li>&gt; AC Abeln – MD (subsidiary – Agrimark Operations Ltd)</li> <li>&gt; X Bangazi – MD (subsidiary – PEG Retail Operations (Pty) Ltd)</li> </ul>	

## Mandate

The committee is primarily responsible for reviewing and approving the remuneration of executive directors and senior management, as well as for succession planning.

The committee assisted the Board in reviewing remuneration recommendations for non-executive directors in line with local and international best practices. This was done to ensure the total remuneration is fair and reasonable to the directors and the Group.

More information about the committee and the Group's remuneration practices is available in the remuneration report on page 36 of the 2025 integrated report.

<sup>1</sup> All committee members are independent non-executive directors.

Committee	Members <sup>1</sup>	Meetings attended
Nomination committee	> Chairman: GM Steyn	1/1
	> CA Otto	1/1
Total meetings: 1	> EA Messina	1/1
	<b>Invitees</b>	
	> S Walsh – Executive director (CEO)	

### Mandate

The committee assists the Board in ensuring it has the appropriate composition in terms of structure, size, diversity, skills, and independence to execute its duties effectively.

When identifying suitable candidates for appointment to the Board, the committee considers candidates on merit against objective diversity criteria. The Board views diversity as important and has adopted a broader diversity policy that specifically promotes attributes of gender, race, culture, age, field of knowledge, skills, and experience. The Board continues to work towards a more representative Board and committee composition.

Whilst no Board appointments were made during the year under review, engagements with Ms Nkosi were fruitful resulting in her taking up a position on the Board from 1 November 2025 subject to AGM confirmation. The Board will consider and apply the broader diversity policy when nominating and appointing directors in future, as contemplated in paragraph 3.84(i) of the JSE Listings Requirements.

<sup>1</sup> All committee members are independent non-executive directors.

Committee	Members <sup>1</sup>	Meetings attended
Social and Ethics committee	> Chairman: EA Messina	2/2
	> T Sulaiman-Bray	2/2
Total meetings: 2	> B Mathews	2/2
	> NR Nkosi*	–
	<b>Invitees</b>	
	> S Walsh – Executive director (CEO)	
	> P Steyl – Executive Manager: Internal Audit	
	> DC Gempies – Executive: HR (subsidiary – Agrimark Operations Ltd)	
	> W van Zyl – Group Manager: Enterprise Asset Management & SHEQ	

### Mandate

The committee monitors the Group's activities relating to its social and economic standing and development, corporate citizenship, SHEQ, consumer relationships and compliance with applicable laws.

The committee reported to shareholders on matters within its mandate and brought relevant matters to the Board's attention.

Read more about KAL's social and community investments in the report of the Social and Ethics committee on page 80 of the 2025 integrated report.

The committee's focus areas included:

- > B-BBEE, sustainability and employment equity
- > Consumer relations, including the company's advertising policy, protection of its brands and relations with stakeholders
- > Labour and employment matters regarding decent work and working conditions, and the company's contribution to its employees' education
- > SHEQ, including monitoring existing policies within its mandate, and the 10 principles of the United Nations Global Compact
- > Creating an ethical culture in the company and developing policies and procedures to prevent fraud and corruption

<sup>1</sup> The majority of committee members are independent non-executive directors.

\* Appointment on 01 November 2025 is subject to AGM approval.



Committee	Mandate
Social and Ethics committee (continued)	<p>The following matters received particular attention:</p> <ul style="list-style-type: none"> <li>&gt; The effectiveness of the company's whistleblowing process</li> <li>&gt; The AgriBEE codes and steps to improve the Group's B-BBEE score</li> <li>&gt; B-BBEE recognition levels and appointments regarding employment equity</li> <li>&gt; The integrated transformation report, containing the employment equity plan as well as training and development initiatives</li> <li>&gt; Sponsorships and B-BBEE initiatives</li> <li>&gt; KAL employees' working conditions in light of applicable laws and regulations</li> <li>&gt; SHEQ reports referring to legal compliance, policies, and procedures are considered continuously</li> <li>&gt; SED programmes</li> <li>&gt; Sustainability and environmental initiatives</li> <li>&gt; Transformation and ethics will remain core focus areas in future</li> </ul>

Committee	Members <sup>1</sup>	Meetings attended
Finance committee	> Chairman: JH le Roux	2/2
Total meetings: 2	> GW Sim	2/2
	> AJ Mouton	2/2
	> HM Smit <sup>2</sup>	–
	> NC Loubser <sup>3</sup>	2/2
	> HS Louw <sup>3</sup>	2/2
	> WG Treurnicht <sup>3</sup>	2/2
	> NR Nkosi*	–
	<b>Invitees</b>	
	> DW Beukes – Group Manager: Financing Services	
	> S Walsh – Executive director (CEO)	
	Other members of the financing services department as and when needed.	

## Mandate

The committee ensures that the Group's financing activities are managed efficiently.

The committee is responsible for approving and refining the credit policy. It exercises final authority on certain high-value credit applications where the amount exceeds the officials' authority.

The committee established a decision-making framework for the financing services department. Regarding the credit policy, the financing services department has the authority to obtain underlying securities from individuals who apply for credit. Accordingly, it is the task of the committee to conduct credit screenings, evaluate credit risks and register underlying securities in line with the credit policy.

<sup>1</sup> Two committee members are independent non-executive directors.

<sup>2</sup> Resigned from the committee with effect from 24 October 2024.




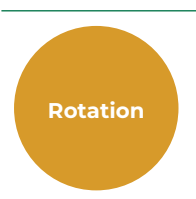
<sup>3</sup> NC Loubser, HS Louw and WG Treurnicht are not Board directors but co-opted members of the committee.

\* Appointment on 01 November 2025 is subject to AGM approval.

All the Group's committees are satisfied that they have fulfilled their responsibilities according to their respective mandates.

## BOARD EFFICIENCY

Ethical and effective leadership depends on the appropriate recruitment, evaluation, training and rotation of Board members. The Group was only listed on the JSE in 2017. However, governance structures have been embedded in the business for many years. Significant strides have been made to formalise and document practices that have been effective in governing KAL until now. This is the essence of our journey towards full compliance with King IV.

	<ul style="list-style-type: none"> <li>&gt; The Nomination committee provides clear policies on recruitment and criteria for selection of appropriate candidates in line with the company's MOI.</li> <li>&gt; Non-executive directors are nominated by the Board and elected at the annual general meeting ("AGM") for three years.</li> <li>&gt; One-third of the non-executive directors must rotate annually.</li> </ul>
	<ul style="list-style-type: none"> <li>&gt; The Chairman evaluates individual Board members based on their experience and expectations.</li> <li>&gt; The Group is satisfied that the performance evaluations have been fair and the results and actions implemented have been appropriate, developing individual capabilities and performance in the process.</li> <li>&gt; The evaluations also include performance and behavioural criteria aligned with the code of ethics and the Board's commitment to governance standards.</li> </ul>
	<ul style="list-style-type: none"> <li>&gt; Training for skills development and applicable legislation is available with voluntary attendance for Board members.</li> <li>&gt; Board members have access to the Company Secretary to provide any necessary training and are free to approach external service providers for training.</li> <li>&gt; Training is provided continuously.</li> </ul>
	<ul style="list-style-type: none"> <li>&gt; Non-executive directors must rotate every three years but are eligible for re-election in terms of the provisions of the MOI.</li> <li>&gt; The Nomination committee is responsible for reviewing the composition of the Board in terms of diversity attributes such as race, gender, culture, age, field of knowledge, skills and experience.</li> <li>&gt; The Nomination committee approved an induction policy.</li> </ul>

## COMPANY SECRETARY

The Company Secretary co-ordinates the functioning of the Board and its committees. This includes advising the Board on matters of legal and regulatory compliance. The Group is satisfied that these arrangements are effective and that the Company Secretary has unencumbered access to the Board. KAL believes that an appropriate arm's-length relationship exists between the Group's Company Secretary and the Board.

In November 2020, KAL Corporate Services (Pty) Ltd was appointed to hold the office of Company Secretary. The Board ensured the provisions of sections 87(1)(a) and 87(1)(b) of the Companies Act were adhered to when appointing the juristic person. The Board considered and was satisfied with the competence, qualifications, and experience of the Company Secretary.

The Board's mandate allows for professional corporate governance training to be accessed independently or through the Company Secretary.

## GROUP EXECUTIVE COMMITTEE

KAL's Group Executive committee meets monthly and assists the CEO in implementing the Group's strategy. The CEO is responsible for operational planning, control, and implementation. The Board appoints the CEO on the recommendation of the Nomination committee. The notice period for the CEO is three months, and termination conditions align with market norms.

Our succession planning and development activities facilitated a steady development of Group Executive committee members and expertise over the last seven years:

### Growth in skills and capacity

Years	Number of members	People added
2019	7	Unchanged
2020	7	Unchanged
2021	7	Unchanged
2022	7	AC Abeln
2023	7	Unchanged
2024	5	HJ Smit and DC Gempies resigned
2025	5	X Bangazi

## EVOLVING OUR STAKEHOLDER ENGAGEMENT

### The place where people still count

The Group's stakeholder relations document outlines its philosophy towards stakeholder relationships. Executive management reports to the Social and Ethics committee on stakeholder relationships, which operate according to regulation 43 of the Companies Regulations, 2011.

### STAKEHOLDER RELATIONS

We ensure our stakeholders are better off than they would have been if KAL did not exist.

Therefore, KAL's relationship with its stakeholders is anchored by its values and code of ethics, and the Group follows a stakeholder-inclusive approach to corporate governance.

We focus on effective communication with stakeholders by using various methods to better understand and respond to issues important to them. We ensure communication with stakeholders is unambiguous, balanced, trustworthy and transparent.

KAL has numerous economic impacts on its stakeholders, which are effected through the creation of wealth, employment, competitive employee remuneration and socio-economic investments.

Key stakeholders include government departments and regulatory authorities, customers, employees, investors/ shareholders, suppliers, communities, and the media.

Stakeholder groups that have a definite impact on KAL's ability to create value are listed in the table below. It also outlines stakeholders' interests regarding KAL's business activities.

Relationships	Means of engagement	Interests
<b>Government and regulators</b>		
<ul style="list-style-type: none"> <li>&gt; Provide access through operating licences, etc., which is the basis of creating value</li> <li>&gt; Regulatory measures are imposed with potential cost and operational implications</li> <li>&gt; Provide business opportunities through tenders, networking and stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Consultation and participation in public forums</li> <li>&gt; Active engagement and submissions on draft regulations, white papers and bills</li> <li>&gt; Engagement with industry consultative bodies</li> <li>&gt; Publication of policy engagement and discussion papers</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Supporting valuable opportunities for job creation and SED, including transformation</li> <li>&gt; Protecting consumer interests in cost-effectiveness, quality, privacy of information and world-class service</li> <li>&gt; Ensuring fair competition and ethical business conduct</li> <li>&gt; Regulatory compliance on issues such as price and SHEQ</li> <li>&gt; Diligent contribution to the tax fiscus</li> <li>&gt; Advancing national priorities such as energy efficiency, sustainability and digital transformation</li> </ul>
<b>Customers</b>		
<ul style="list-style-type: none"> <li>&gt; Provide the capital necessary for sustainability and growth</li> <li>&gt; Influence product innovation through feedback and buying patterns</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Online – KAL website and the Agrimark App</li> <li>&gt; Social media – Facebook and Instagram</li> <li>&gt; Retail outlets</li> <li>&gt; Print media and advertising on various platforms</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Improved value proposition in terms of offerings to the customer</li> <li>&gt; Living the Group's culture and allowing the customer to experience it</li> <li>&gt; Being agile in our processes to make interaction with the Group and subsidiaries more efficient</li> </ul>
<b>Investors and shareholders</b>		
<ul style="list-style-type: none"> <li>&gt; Provide the capital necessary for sustainability and growth</li> <li>&gt; Drives accountability for long-term sustainability</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Annual and interim results presentations and publications</li> <li>&gt; Investor relations information on KAL's website</li> <li>&gt; SENS announcements</li> <li>&gt; AGM</li> <li>&gt; Investor roadshows</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Strategy to ensure sustained financial performance and growth</li> <li>&gt; Responsible investment to ensure growth, manage risks and explore opportunities in various markets</li> <li>&gt; Transparent remuneration policy</li> <li>&gt; Responsible allocation of capital for investment and future growth</li> <li>&gt; Sound corporate governance practices</li> <li>&gt; Stable and responsible dividend policy</li> <li>&gt; Clear disclosure on risk management and sustainability initiatives</li> </ul>



Relationships	Means of engagement	Interests
<b>Employees</b>		
<ul style="list-style-type: none"> <li>&gt; Their skills, involvement, loyalty and culture of CARE help us satisfy stakeholders so we can become a leading role player in the retail sector</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Internal website</li> <li>&gt; Internal publications and electronic communication</li> <li>&gt; Visual communication boards</li> <li>&gt; CEO roundtable</li> <li>&gt; Go for Gold recognition awards</li> <li>&gt; Training and mentorship programmes</li> <li>&gt; Leadership forums</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Clear career paths and opportunities for career development</li> <li>&gt; CARE programme</li> <li>&gt; Mobilising, executing and transforming with agility ("META"), accelerating performance principles</li> <li>&gt; Competitive remuneration and recognition of talent</li> <li>&gt; Profit-sharing scheme</li> </ul>
<b>Suppliers</b>		
<ul style="list-style-type: none"> <li>&gt; Impact our ability to provide quality products at market-related prices</li> <li>&gt; Strategic partners in driving innovation, efficiency and competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Technology solutions for vendor management</li> <li>&gt; Regular visits to suppliers</li> <li>&gt; Audits</li> <li>&gt; Supplier information days and networking opportunities</li> <li>&gt; Supplier awards</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Timely payment and fair repayment terms</li> <li>&gt; B-BBEE compliance in line with the latest codes and measurements</li> <li>&gt; Improving SHEQ standards</li> </ul>
<b>Media</b>		
<ul style="list-style-type: none"> <li>&gt; Crucial role in keeping stakeholders informed of financial performance (excluding closed periods) and developments within our business, including our products and services</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Face-to-face, telephonic and electronic engagement</li> <li>&gt; Interviews with the CEO and key executives</li> <li>&gt; Media releases and product-related publicity</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Transparency</li> <li>&gt; Keeping stakeholders informed of key activities and offerings</li> </ul>
<b>Communities</b>		
<ul style="list-style-type: none"> <li>&gt; Ensure the long-term viability of our business by nurturing and strengthening the socio-economic context within which we operate</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Holistic SED programmes aligned with our core business</li> <li>&gt; Bursary programme</li> <li>&gt; KAL Academy education-related programme</li> <li>&gt; Harvesting Hope programme focused on food security</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Access to education and training</li> <li>&gt; Youth development and upliftment</li> <li>&gt; Supporting growth in the sector through farmer development and training</li> <li>&gt; Infrastructure support</li> </ul>

## B-BBEE TRANSFORMATION REPORT

Transformation remains part of our gold strategy, which includes leveraging culture and diversity as a key strategic imperative and differentiator for the Group.

KAL measures its B-BBEE status against the AgriBEE sector codes of the Department of Trade, Industry and Competition.

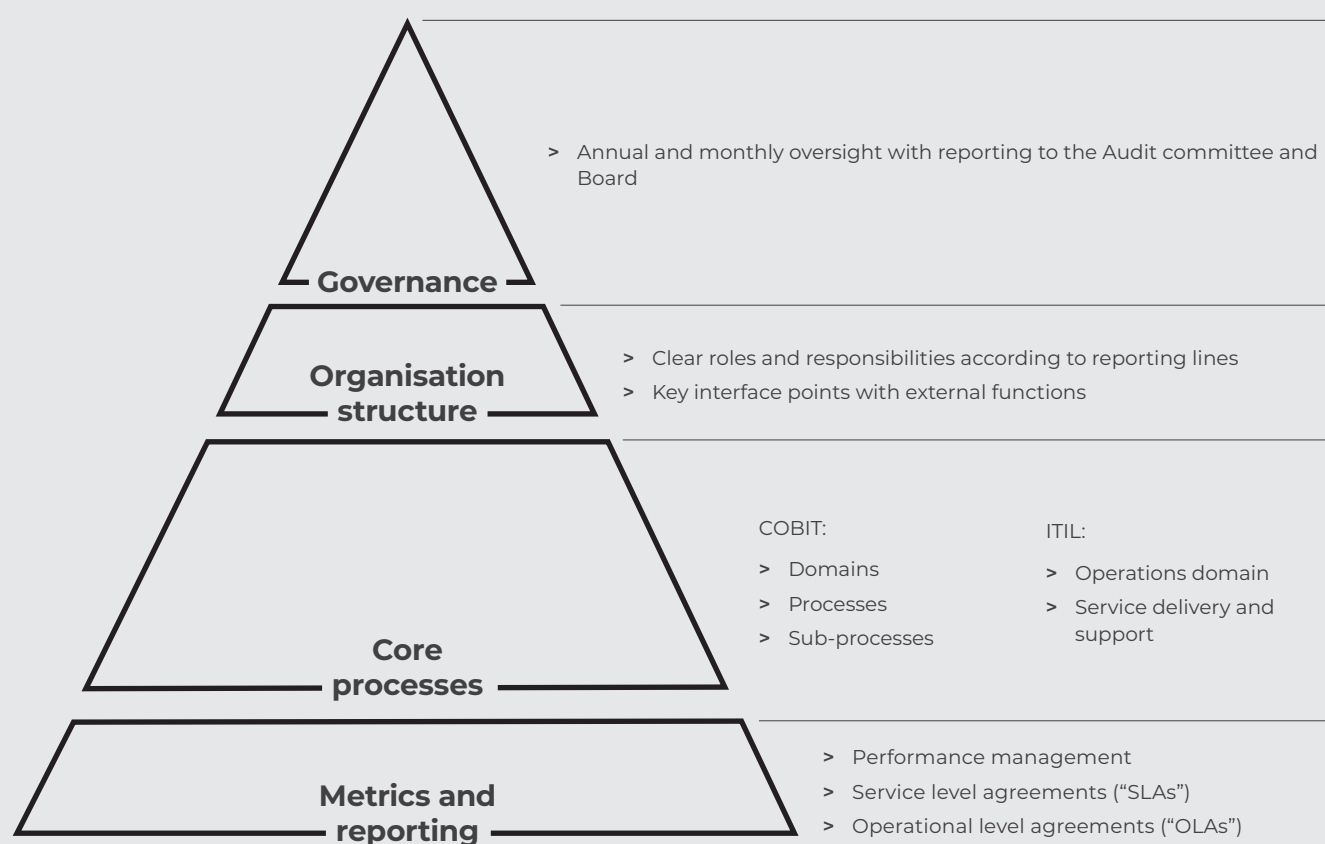
KAL's objective this year was to achieve a level 4 B-BBEE status, with 100% procurement recognition.

Refer to our Social and Ethics committee report on page 80 of the 2025 integrated report for details.

## INFORMATION MANAGEMENT

The Group seeks to govern technology and information in a way that supports our ability to achieve our strategic objectives. The purpose of the Group's information technology ("IT") division is to support business growth and the stability of operations by using cost-effective and proven technologies with the applicable functionality.

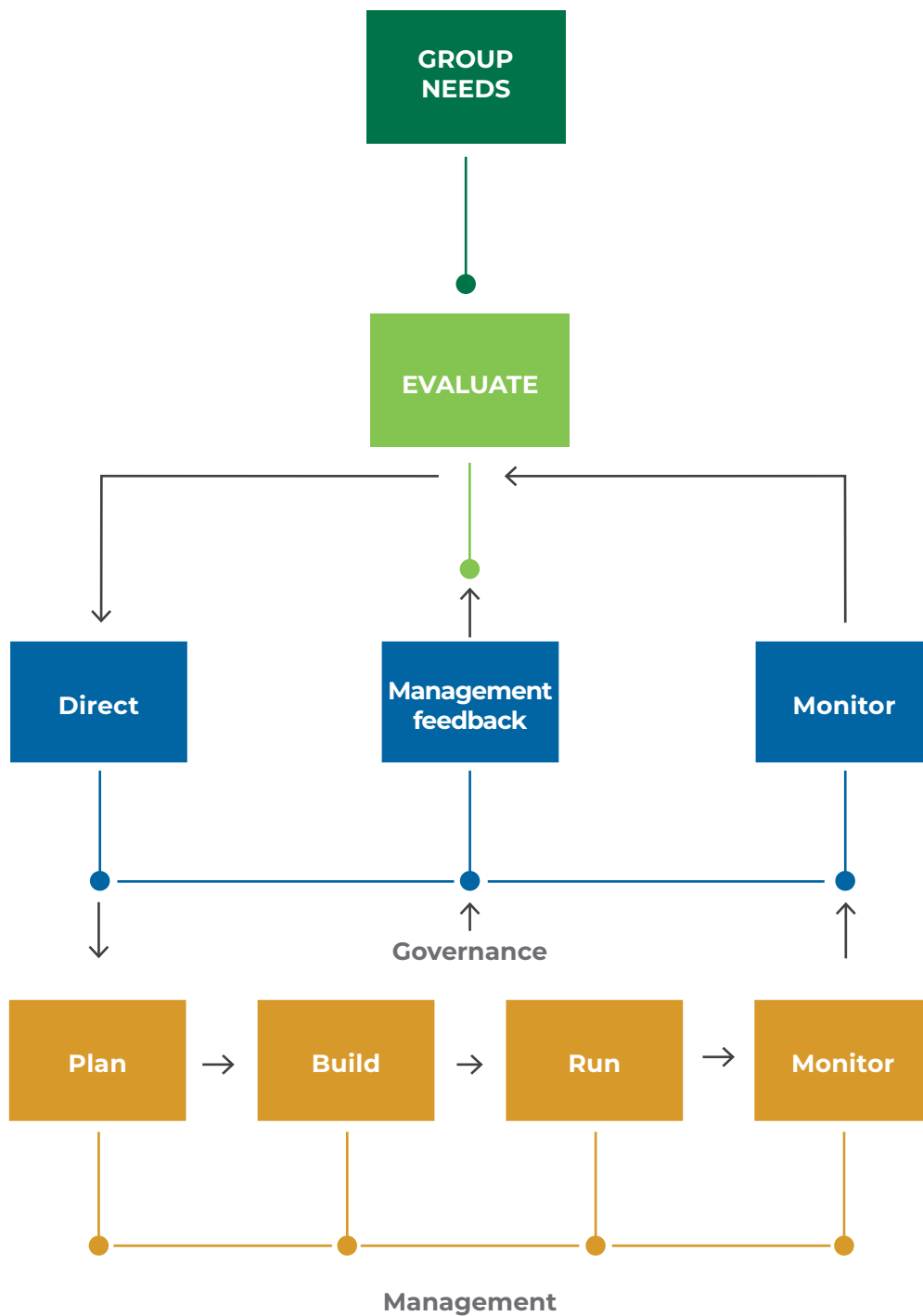
KAL's information management ("IM") operating model describes how IM elements interact and relate in the function's delivery.



KAL Group believes that an effective IM governance model must articulate an optimal allocation of "decision rights" for each operation. This means providing select individuals with clear accountability and decision-making authority concerning changes or priorities in the IM process. The Board is ultimately accountable for the governance and management of IT.

The Group uses the Information Technology Infrastructure Library ("ITIL") and Control Objectives for Information and Related Technologies ("COBIT") as guidance for effective IT governance and management at a process level. ITIL is a set of detailed practices for IT service management. COBIT is a good practice framework created by the international professional association Information Systems Audit and Control Association ("ISACA") for IT management and IT governance.

The Group uses three main perspectives to govern IM:



This process considers four analytical perspectives: financial, customer, internal, and learning and growth. They ensure a holistic view of the needs and opportunities related to IM.

## GROUP STRUCTURE

The identification and approval of Group-wide IT capital investment needs, including maintenance and project development, form part of the annual budget.

Criteria for measuring IT performance monthly include connectivity and security, among others. Infrastructure availability has been maintained at an average of 99%, and the Group has security coverage for 99% of our endpoints. Email and firewall security are of a high standard. Suppliers are evaluated monthly with a performance scorecard.

IT risks are reviewed annually and, where necessary, escalated to the Board for action via the Audit and Risk committee. Remedial actions for incidents are addressed through help-desk processes. Key IT risks include:

Risk description	Mitigating actions
Business interruption due to system unavailability for an extended period	A business continuity plan, offline alternatives, identification of priority users, satellite technology, backups, and training initiatives are examples of measures in place to minimise the impact of system unavailability.
Impact on competitiveness due to sub-optimal business use of applications or processes	We mitigate this risk by using global best practice baselines and ensuring technical expertise and capacity while continuously training end-users on available functionality.
Reputation and business sustainability that are at risk due to IT misuse or abuse	Digital access control, security measures, and discipline, combined with the identification of sensitive areas, help to proactively manage this risk.

We developed an IM roadmap for 2017 to 2028 that aims to provide value to the business through cost-effective, applicable and proven technology. The roadmap directs specific activities related to growth, basic IM, people, customer focus, and finance. The short- to medium-term focus will be on roadmap implementation throughout the Group.

## OUTLOOK

Good corporate governance is central to creating sustainable growth and enhancing long-term shareholder value. KAL is committed to high standards of corporate governance. Our purpose of leaving our stakeholders better off because we exist shapes our commitment to meet the needs of our customers, employees, suppliers, communities, and shareholders.

KAL will continue to comply with all legislation and regulations, including but not limited to, compliance and alignment with the King IV principles and the JSE Listings Requirements.



# KAL GROUP

  
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