



KAL
GROUP



KING IV REPORT
2025

Disclosure map for the application of the King IV Code principles

KAL Group Limited ("KAL" or "the Group") has adopted the principles of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV")¹. The KAL Group Board of directors ("Board") is committed to complying with the requirements of the Companies Act, 71 of 2008, as amended ("the Companies Act"), the JSE Listings Requirements and King IV.

The Group adopts and applies the principles of King IV, as disclosed in this document, including references to more information on the Group's application of these principles.

The Group endeavours to explain its application of appropriate principles and is transparent in areas of non-compliance. The following table provides a high-level overview of responses to the 16 applicable King IV principles. Where relevant, we reference other reports for detailed information. We have indicated the level of application and explanation of the Group's King IV disclosure with icons to indicate the maturity of such disclosure:

MATURITY OF DISCLOSURE

Effective disclosure	
Disclosure to be improved	

Principle	High-level disclosure	Maturity of disclosure
1. LEADERSHIP The Board should lead ethically and effectively.	<p>1.1. The Board recognises that ethics and integrity are the cornerstone of effective governance and remain central to building trust with stakeholders. Directors, both individually and collectively, accept responsibility for ethical and effective leadership, guided by the principles of fairness, accountability, responsibility and transparency. A comprehensive governance framework, underpinned by the Board charter and Memorandum of Incorporation, provides direction to the Board in fulfilling its duties and ensures that all decisions are taken independently, objectively, and in the organisation's best interests.</p> <p>1.2. In overseeing strategy, policy, and risk management, the Board ensures that ethical considerations inform decision-making and that the use of the company's resources takes account of broader economic, social, and environmental impacts.</p> <p>1.3. The Board's commitment to ethical and effective leadership is demonstrated through its governance structures and practices, including policies on conflicts of interest, insider trading, and director independence. Independence and objectivity are actively safeguarded through ongoing disclosure requirements, annual evaluations, and oversight by the Nominations committee ("Nomcom").</p> <p>Further references in this regard can be found in the full online governance report.</p>	

¹ Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

Principle	High-level disclosure	Maturity of disclosure
<p>2. ORGANISATIONAL ETHICS</p> <p>The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>2.1. The Group has a code of ethics in place that applies to all employees, including the Board, which has been communicated to all stakeholders.</p> <p>2.2. The Board leads by example, demonstrating its commitment to good governance and ethical conduct through strict adherence to recognised guidelines, regulations, and international benchmarks. This includes alignment with the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles.</p> <p>2.3. The Board's approach to the governance of ethics is supported by internal governance documentation covering areas such as anti-bribery and corruption, codes of good practice, conflicts of interest, and acceptance of gifts.</p> <p>2.4. The Board is assisted by the Audit and Risk committee ("ARC") and the Social and Ethics committee ("SEC") in shaping an ethical organisational culture by ensuring that fair labour practices are upheld across the Group and its supply chain. It further drives strategies that support social and economic development, while promoting the responsible use of natural resources and a long-term commitment to minimising the Group's environmental impact.</p> <p>2.5. The Group continues to provide an independently managed mechanism, Deloitte Tip-offs Anonymous, enabling employees and third parties to report any perceived or alleged irregular and unethical behaviour in a confidential and controlled manner. Allegations are monitored and managed, and regular feedback is provided to the SEC.</p> <p>Further references in this regard can be found in the full online governance report.</p>	
<p>3. RESPONSIBLE CORPORATE CITIZENSHIP</p> <p>The Board should ensure the organisation is, and is seen to be, a responsible corporate citizen.</p>	<p>3.1. The Board mandates the SEC to oversee and monitor the Group's activities and outputs that affect its status as a responsible corporate citizen.</p> <p>3.2. One of the Group's objectives is to create sustainable value for all stakeholders by remaining responsive to their needs and expectations.</p> <p>3.3. As a responsible corporate citizen, the Group actively engages with its key stakeholders and ensures that its business activities are guided by its values and aligned with stakeholder priorities.</p> <p>3.4. In line with the above, the Group has implemented various initiatives and programmes to protect the environment, maintain the health and safety of our people, customers and suppliers, and contribute to community development through our CSI programmes and the KAL Academy.</p> <p>Further details can be found in the SEC report, which is included in the 2025 integrated report.</p>	

Principle	High-level disclosure	Maturity of disclosure
<p>4. STRATEGY AND PERFORMANCE</p> <p>The Board should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.</p>	<p>4.1. The Board assumes responsibility for the Group's performance by providing strategic direction that aligns the Group's purpose and values with the achievement of the Group's long-term objectives.</p> <p>4.2. Some of the Group's key material matters are:</p> <ul style="list-style-type: none"> > Continuously increasing regulatory requirements > Cost management and operational efficiency > Climate change mitigation and adaptation, and geopolitical conditions > Maintaining brand loyalty through customer-centricity > The impact of a responsible and sustainable value chain > Responsible use of technology, data privacy and cybersecurity > Embedding an ethical culture > Supply chain and stock management > Talent recruitment, retention and skills development > Losses due to unethical behaviour <p>4.3. The Group has a formalised risk management process in place. This process includes a risk register that considers the full range of material risks, including strategic and operational risks, which might affect its performance and sustainability. The ARC provides risk governance oversight by continuously monitoring risks and ensuring that appropriate controls are in place.</p> <p>Further references in this regard can be found in the 2025 integrated report under the following sections:</p> <ul style="list-style-type: none"> > Value proposition (page 6) > Business review (page 25) > Corporate governance report (page 60) and the full online governance report > Annual financial statements (page 98) 	
<p>5. REPORTING</p> <p>The Board should ensure reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.</p>	<p>5.1. The Group prepares and publishes its annual financial statements and integrated report in accordance with the applicable reporting frameworks, which seek to address the information needs of a broad and diverse stakeholder base.</p> <p>5.2. This provides stakeholders with a balanced and holistic view of the Group's financial, social, environmental and economic impacts and an understanding of its short-, medium- and long-term prospects. It also provides stakeholders with deeper insights into the Group's past performance within the context of its external operating environment.</p> <p>5.3. The ARC is responsible for overseeing the preparation of the integrated report and reviewing its content, process, and providing assurance related to its integrity. The relevant Board subcommittees review the relevant reports which comprise the integrated report to ensure its veracity and balance, and then approves it.</p> <p>5.4. Results presentations are hosted following the release of interim and year-end financial results, with copies made available on the Group's website. In addition, regular trading updates are published on SENS to keep stakeholders informed of the Group's performance.</p>	

Principle	High-level disclosure	Maturity of disclosure
<p>6. PRIMARY ROLE AND RESPONSIBILITIES OF THE BOARD</p> <p>The Board should serve as the focal point and custodian of corporate governance in the organisation.</p>	<p>6.1. The Board is the highest governing authority and carries the ultimate responsibility for the Group's governance through a governance framework that includes the Board charter, committee terms of reference, work plans, and delegation of authorities.</p> <p>6.2. There are four formal Board meetings per year, which are reported on in the governance report and include attendance at the meetings.</p> <p>6.3. The Board has adopted the principles of King IV, and where the recommendations are not applied, reasons for an alternative approach have been explained.</p> <p>Further references to our governance practices and focus areas can be found in the full online governance report.</p>	
<p>7. COMPOSITION OF THE BOARD</p> <p>The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>7.1. The Board comprises nine independent non-executive and two executive directors. The Chairman is independent.</p> <p>7.2. Directors are appointed through a formal process. The Nomcom assists in identifying suitable candidates; however, final approval of appointments resides with the Board. Every effort is made to ensure the Board's composition comprises the appropriate mix of knowledge, skills, and experience (business, commercial, and industry) to deliver on strategies and create long-term shareholder value. In this regard, please see the full online governance report.</p> <p>7.3. The Board continuously strives to improve its composition to reflect the demographics of South Africa, focusing on black and female representation.</p> <p>7.4. One-third of the non-executive directors retire annually by rotation in line with the Group's Memorandum of Incorporation. The Nomcom makes recommendations regarding the re-election of the retiring directors, considering factors such as performance and meeting conduct. The independence and performance of non-executive directors who have served on the Board for more than nine years are subject to rigorous review.</p> <p>7.5. An induction programme is in place for all new directors. Upon their appointment, new directors receive an induction pack consisting of, inter alia, agendas and minutes of previous Board and sub-committee meetings, the latest integrated report, relevant business information, strategic documents, applicable policies, terms of reference and charters, and are informed of their fiduciary duties in terms of the Companies Act and JSE Listings Requirements. In addition, they visit various sites and distribution centres and meet with executive management.</p> <p>7.6. The roles and responsibilities of the Chairman and the Chief Executive Officer ("CEO") are clear and separate. The CEO and the Financial Director are executive members of the Board.</p>	

Principle	High-level disclosure	Maturity of disclosure
<p>8. COMMITTEES OF BOARD</p> <p>The Board should ensure its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</p>	<p>8.1. In discharging its duties, the Board has delegated certain functions to five sub-committees.</p> <p>8.2. The composition of the Board and its committees is in line with the Companies Act, King IV provisions, and JSE Listings Requirements (where applicable). There is a clear balance of power within the Board and its committees to ensure no individual has undue decision-making powers.</p> <p>8.3. Each committee has terms of reference that set out the roles and responsibilities and are approved by the Board.</p> <p>8.4. The Board appointed the following committees:</p> <ul style="list-style-type: none"> > Audit and Risk committee > Nomination committee > Remuneration committee > Social and Ethics committee > Finance committee <p>Further references to our Board committees are disclosed in the full online governance report.</p>	
<p>9. EVALUATIONS OF THE BOARD</p> <p>The Board should ensure that the evaluation of its own performance and that of its committees, its Chairman and its individual members, support continued improvement in its performance and effectiveness.</p>	<p>9.1. The Board's role and agenda setting; the size, independence and composition of the Board; director orientation and development; Board meetings; Board committees; Board accountability and governance practices are evaluated.</p> <p>9.2. The performance of the CEO, Financial Director, and the Company Secretary is also evaluated annually.</p> <p>9.3. In addition, the Chairman has individual feedback sessions with each director where appropriate.</p> <p>9.4. The evaluation concluded that the Board's overall functioning and governance met the required standards.</p>	

Principle	High-level disclosure	Maturity of disclosure
10. APPOINTMENT AND DELEGATION TO MANAGEMENT	<p>The Board should ensure the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p> <p>10.1. The Board has a clear decision-making framework that defines how roles are performed and authority is exercised, both within the Board structures and the management team, ensuring role clarity and the effective exercise of authority.</p> <p>10.2. The Board has delegated to the CEO, the Financial Director, and the respective executive management of the Group, the authority to manage the day-to-day business, subject to an approval framework established by the Board.</p> <p>10.3. The Group Executive committee consists of the CEO, the Financial Director, and the respective executive management members responsible for implementing and executing approved strategy, as well as discharging all duties and functions delegated by the Board. The Group Executive committee meets regularly and reports back to the Board and its committees.</p> <p>10.4. This approach enables efficient decision-making, supports operational excellence, and ensures alignment with the Group's purpose, values, and governance standards.</p> <p>10.5. In 2020, the Group appointed KAL Corporate Services (Pty) Ltd to hold the office of the Company Secretary. The Board ensured that the Group complied with sections 87(1)(a) and 87(1)(b) of the Companies Act. The Company Secretary's office is responsible for corporate governance and plays a vital role at Board level. A review of the qualifications, competency and performance of the Company Secretary is conducted annually. The Company Secretary has unfettered access to the Board, is not a Board member, and maintains an arm's-length relationship with the directors. The Board believes that the office of the Company Secretary is suitably skilled, qualified, and experienced to perform its role competently.</p> <p>10.6. The Board is satisfied that it and the Group are appropriately resourced for these roles and that delegating certain roles and responsibilities to management supports effective governance.</p>	
11. RISK GOVERNANCE	<p>The Board should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p> <p>11.1. The Board is ultimately responsible for risk governance and has delegated oversight of the Group's risk management function to the ARC.</p> <p>11.2. The Board has an approved risk management register that defines the objectives and governance of risk management. The register involves continuous identification of risks and opportunities at both strategic and operational levels, as well as the evaluation of mitigating controls.</p> <p>11.3. Management is accountable to the Board for designing, implementing, and monitoring risk management processes and integrating them into the Group's day-to-day activities.</p> <p>11.4. The Group's approach to risk management embeds risk consideration at the core of its commercial activities, enabling informed, risk-based decision-making and the deliberate selection of risks aligned with its appetite. The Group's risk strategy is closely integrated with its business strategy, with risk mitigation measures designed to enhance the likelihood of achieving strategic objectives and creating sustainable value.</p> <p>11.5. 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.</p> <p>Further details can be found in the 2025 integrated report, the SEC report included therein, and the ARC report in the 2025 annual financial statements.</p>	

Principle	High-level disclosure	Maturity of disclosure
<p>12. TECHNOLOGY AND INFORMATION GOVERNANCE</p> <p>The Board should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>12.1. The overall responsibility for information management ("IM") governance lies with the Board, which has delegated the day-to-day management of IM and tasked management with the implementation of an IM governance model.</p> <p>12.2. The ARC has mandated IM governance within the Group via the Information Technology Information Library and Control Objectives for Information and Related Technologies as guidance for effective IM governance and management at a process level.</p> <p>12.3. IM risk is integrated into the Group's risk management processes and is considered by the ARC as part of its oversight of IM risk.</p> <p>12.4. IM is fully integrated into the Group's strategic planning process, which ensures alignment with the Group's business objectives.</p> <p>12.5. The IM governance model includes the assessment and management of all significant IM risks, including disaster recovery and other IM practices.</p>	
<p>13. COMPLIANCE GOVERNANCE</p> <p>The Board should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the organisation as an ethical and good corporate citizen.</p>	<p>13.1. The Board is ultimately responsible for overseeing the Group's compliance with the applicable legislation, regulations, codes and standards.</p> <p>13.2. The ARC assists the Board in reviewing the system's effectiveness for monitoring compliance with laws and regulations, as well as any follow-up of instances of non-compliance, based on the results of any investigation by the executive management team.</p> <p>13.3. Legislative and regulatory compliance is monitored by the Group's legal and compliance function. The potential impact of pending legislation on the Group's business activities is assessed prior to promulgation and reported to the executive team timeously.</p> <p>13.4. A software solution has been implemented within the legal and compliance function to better assist with the monitoring of updates, amendments and promulgations of legislation, regulations, codes and standards.</p> <p>13.5. The Board is continually informed of material legislation, rules, codes, and standards, as well as changes thereto. Information on laws, rules and codes is shared with directors through documentation and information sessions by the office of the Company Secretary and external advisors.</p> <p>13.6. The office of the Company Secretary is responsible for providing guidance to the Board collectively and to the directors pertaining to their responsibilities and powers, making them aware of legislation and regulations relevant to the business and providing Board orientation and training when appropriate.</p> <p>13.7. For the duration of the 2025 financial year, the Group was compliant in all material aspects with the requirements of the Companies Act, the Companies Act Regulations and the JSE Listings Requirements.</p> <p>13.8. The Board has disclosed how it has discharged its responsibility for governing and managing compliance, areas of focus, and inspections by authorities, as well as material or repeated instances of non-compliance in the 2025 integrated report, and the SEC report included therein.</p>	

Principle	High-level disclosure	Maturity of disclosure
14. REMUNERATION GOVERNANCE	<p>The Board should ensure the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p> <p>14.1. Employees are pivotal in ensuring the Group's strategic objectives are met. The Group's remuneration policy is designed to attract, develop, motivate and retain talented employees who enable it to pursue and achieve its strategic objectives, thereby enhancing value for all stakeholders.</p> <p>14.2. The remuneration policy is transparent and based on the principles of market competitiveness, internal equity, and pay for performance. It ensures that no discrimination occurs and acknowledges exceptional and value-adding performance.</p> <p>14.3. The Board, through the Remuneration committee ("Remcom"), oversees the implementation and execution of the remuneration policy to ensure alignment with stakeholder interests, regulatory requirements, and best governance standards. The Remcom fulfils the important function of ensuring that remuneration is responsible and fair across the Group, and that disclosures are accurate, complete, and transparent, while aligning stakeholders' interests.</p> <p>14.4. Approval of the non-executive directors' remuneration is requested from the shareholders at the Group's annual general meeting.</p>	
15. ASSURANCE	<p>The Board should ensure assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p> <p>15.1. The Board is responsible for the Group's assurance arrangements, including ensuring the integrity of all external reports issued by the Group, approving the assurance approach and planning, overseeing the internal audit function, and assessing the output of the combined assurance approach.</p> <p>15.2. Specific responsibility is delegated to the ARC, and the objectives and specific activities related to the annual financial statements, integrated report, external auditors, internal audit and internal financial controls and compliance are set out in the ARC report.</p> <p>15.3. The Group has adopted an integrated assurance approach designed to optimise assurance obtained from management, corporate functions, and internal and external assurance providers regarding the risks affecting the business. The combined assurance approach is integrated within the risk management process, including reporting to and oversight from the ARC.</p> <p>15.4. Embedding combined assurance throughout the Group will remain a key focus area.</p> <p>15.5. The ARC, which oversees the preparation of the integrated report, the interim results, and year-end financial statements, including the public announcements of the company's financial results, recommended these to the Board for approval. The Board accordingly approved the 2025 integrated report and annual financial statements for release to stakeholders.</p> <p>15.6. The ARC has an existing internal audit charter in place, which ensures that the Group's internal audit function is independent and has the necessary resources, authority, and standing within the organisation to enable it to discharge its duties. The internal audit executive is not a member of executive management and reports functionally to the chairman of the ARC and administratively to the Financial Director.</p> <p>15.7. The ARC approves the internal audit plan annually, and ensures that a risk-based approach is followed, and that internal audit provides the Board with an overall assessment of the Group's effectiveness regarding governance, risk management and control processes.</p> <p>15.8. This approach strengthens internal decision-making, enhances the reliability of external reporting and provides stakeholders with confidence in the Group's long-term sustainability.</p>	

Principle	High-level disclosure	Maturity of disclosure
<p>16. STAKEHOLDER RELATIONSHIP</p> <p>In the execution of its governance role and responsibilities, the Board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</p>	<p>16.1. The Board acknowledges that a wide range of stakeholders are affected by, and have an interest in, the Group's products, activities, and initiatives. In turn, these stakeholders also influence the Group's operations. Therefore, the Group is committed to conducting its business in a way that creates sustainable value for all stakeholders.</p> <p>16.2. The Board strives to achieve the appropriate balance between the various material stakeholder groups, in the best interest of the Group. Every effort is made to ensure transparent and effective communication with stakeholders, which is essential for building and maintaining confidence.</p> <p>16.3. Stakeholder engagement is central to the Group's sustainability, and the Board has overall responsibility for stakeholder engagement and monitors its application through the SEC.</p> <p>16.4. Executive management proactively manages stakeholder relationships as an integral component of daily operations to ensure sustainable value creation for both the Group and its stakeholders. This is achieved through building and maintaining authentic, transparent, and inclusive long-term relationships that foster trust and create an environment conducive to the Group's continued growth and prosperity.</p> <p>16.5. The Group focuses on key stakeholders who have an interest in the business or who could influence it either positively or negatively, as well as those who can impact the Group's ability to create sustainable value. The Group's key stakeholders include customers, shareholders, employees, suppliers, communities in which the Group operates, and industry regulators. The expectations of these stakeholders are actively balanced in the Group's best interests over time.</p> <p>Further details are disclosed in the 2025 integrated report and the SEC report included therein.</p>	



www.kalgroup.co.za