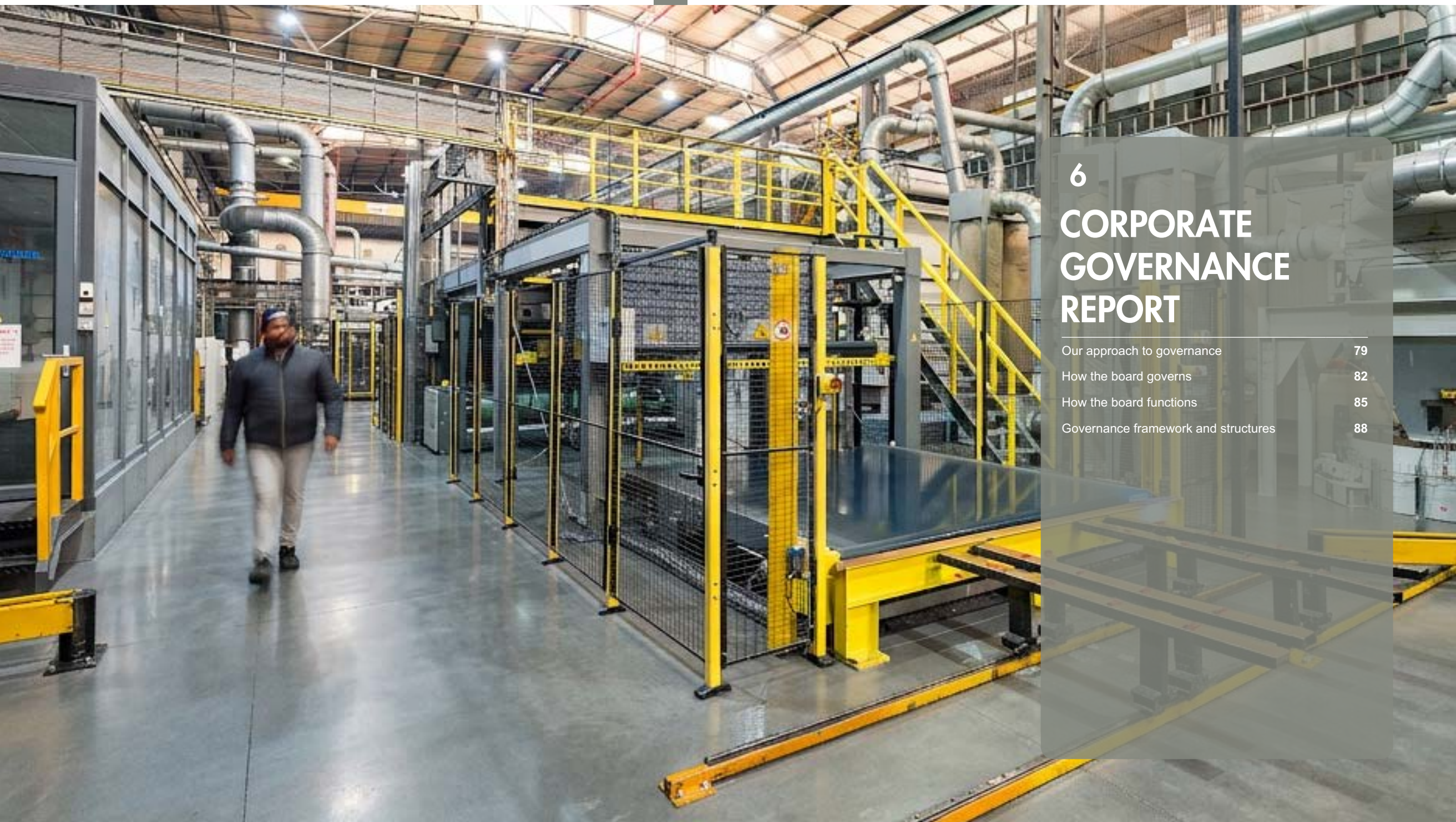




6

CORPORATE GOVERNANCE REPORT

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OUR APPROACH TO GOVERNANCE

We are committed to continuously integrating the principles of good corporate governance into our strategy, enterprise risk management and day-to-day decision-making. We recognise and believe that good corporate governance supports the long-term sustainability of our group. The directors have affirmed that, to the best of their knowledge, KAP has adhered to the provisions of the Companies Act and the JSE Listings Requirements and operated in accordance with the MOI.

Approach to corporate governance

The board is committed to upholding the highest standards of corporate governance and will continue to oversee and enhance the effectiveness of the governance frameworks, ensuring the integrity of the group's financial reporting and risk management processes. The board thus provides accurate, timely and transparent disclosures to shareholders, reinforcing commitment to transparency and accountability.

Through ethical and effective leadership, the board embeds integrity, accountability, fairness and transparency in the group's governance culture. As custodian of corporate governance, it oversees strategy, performance, reputation and sustainable operations, including strategic progress, key workstreams, budgets and succession, to align management with the group's purpose and long-term value creation.

The board creates and protects value through an appropriate mix of skills, experience, diversity and independence. It delegates to suitably constituted committees while retaining accountability, and oversees risk, controls, assurance, reporting, technology, compliance and stakeholder engagement. This strengthens decisions, transparency and stakeholder confidence, enabling the group to manage material risks and deliver sustainable outcomes.

[Read more: Governance framework](#)

How the group applies the King Code

While the group continues to apply King IV™, implementation of the King V™ corporate governance principles and recommended practices ('the King Code') has commenced, in line with the adoption timeline provided for in King V™. The King Code is applied on a substance-over-form basis, with appropriate scaling and proportionality where applicable. The full King Code disclosure framework and gap analysis will be implemented in FY27.

King Code principle		Read more	Applied
	The governing body should lead ethically and effectively	Ethical leadership Key responsibilities Governance structure	
	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	Ethical leadership Key responsibilities Governance structure	
	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	Key responsibilities Governance structure	
	The governing body 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	Key responsibilities Governance structure	
	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term projects	Key responsibilities Governance structure	
	The governing body should serve as the focal point and custodian of corporate governance in the organisation	Governance framework How the board functions Key responsibilities Governance structure	
	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	Governance framework How the board functions Board composition and skills Independence assessments of non-executive directors Rotation, retirement and succession for directors	

OUR APPROACH TO GOVERNANCE (CONTINUED)

King Code principle	<div>Read more</div>	Applied
<div>8</div> <div>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and the effective discharge of its duties</div>	Governance framework How the board functions Board committees	✓
<div>9</div> <div>The governing body should ensure that the evaluation of its own performance and that of its committees, its chairperson and its individual members, supports continued improvement in its performance and effectiveness</div>	Governance framework How the board functions	✓
<div>10</div> <div>The governing body should ensure that the appointment of, and the delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities</div>	Governance framework How the board functions	✓
<div>11</div> <div>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives</div>	Risk management Audit and risk committee	✓
<div>12</div> <div>The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives</div>	Information technology	✓
<div>13</div> <div>The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen</div>	Ethical leadership Code of ethics	✓
<div>14</div> <div>The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term</div>	Governance framework Human capital and remuneration committee Notice of annual general meeting	✓
<div>15</div> <div>The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and the organisation's external reports</div>	Combined assurance	✓
<div>16</div> <div>In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time</div>	Stakeholder focus during the year	✓



OUR APPROACH TO GOVERNANCE (CONTINUED)

Ethical leadership

The board sets the ethical tone for the group by embracing the six ethical leadership values espoused by the King Code, namely integrity, competence, responsibility, accountability, fairness and transparency. These values are well entrenched in the governance culture of the company and, together with our unique values, the board reinforces the ethical principles on which the company's reputation and success are founded.

The board exercises ongoing oversight over the management of ethics and propagates a culture of actively addressing wrongdoing, misconduct, unethical behaviour, fraud and corruption in the organisation. The responsibility for the implementation and execution of our code of ethics is delegated to management. The code of ethics commits the group and employees to the highest ethical standards of conduct and compliance with applicable laws and regulations. The code is available on our website.

A confidential ethics line for the anonymous reporting of suspected unethical business practices or acts of impropriety is in place for the group.

All reports received are evaluated and investigated on a confidential basis and material matters are reported to the board on a quarterly basis. The ethics line has proved its value in identifying fraud and incidents of unethical behaviour and highlighting potential fraud throughout the group. To maintain a high level of awareness, employees are regularly reminded of this facility and urged to report all circumstances or situations in which they have reason to suspect unethical activity or other acts of impropriety. For the period, no material incidents of non-compliance with the code of ethics, fines or prosecutions for non-compliance with laws or regulations were recorded.

The board is satisfied that the group's ethics management framework is effective in fostering and maintaining an ethical organisational culture. The board is also satisfied that robust measures are in place for the prevention and detection of fraud, corruption and money laundering, and that significant incidents have been managed appropriately to address their impact and reduce the likelihood of future occurrences. Furthermore, the board is satisfied that the organisation's purpose, values, activities, outputs, impacts and outcomes are consistent with and support responsible corporate citizenship.

 [Read more: Code of ethics](#)
 [Read more: Risks and related opportunities, page 33, Sustainability report, page 60](#)

Key responsibilities

Governance	Compliance	Stakeholders	Performance and management	Responsible business	Strategy and culture of the group
Focal point and custodian of corporate governance of the group	Regulatory and statutory compliance of the group	Communicates and maintains relations with shareholders, the general public and internal and external stakeholders in a transparent and timely manner	Business of the group conducted in accordance with the principles of fairness, accountability, transparency, responsibility, competence and integrity	Responsible corporate citizen	Sets and steers the strategic direction and culture of the group

HOW THE BOARD GOVERNS

The board serves as the focal point and custodian of corporate governance in the group. It is ultimately accountable for the performance and reputation of the group and for ensuring that it continues to operate responsibly, ethically and sustainably. The day-to-day management of the group is overseen by management.

The board meets at least five times per year with additional meetings held as and when required. During the year under review, the board held five scheduled meetings, including an annual budget presentation and a board conference which dealt with a strategic review of the group, with one special meeting required. Below is a summary of the attendance of the board members at the scheduled and special meetings held, including the changes which took place during the year under review:

Members ¹	Designation	Scheduled meeting attendance	Special meeting attendance	Appointment date to board	Resignation/retirement date from board	Compliance
JA Holtzhausen	Independent non-executive director/chairperson	5/5	1/1	1 March 2023	–	All directors are afforded unrestricted access to management, including the company secretary. Independent advice is available at the company's expense to assist directors in carrying out their duties should they reasonably require this.
GN Chaplin	Executive director/chief executive officer	1/1	1/1	18 November 2014	31 October 2025	
JAI Ferreira ²	Executive director/chief financial officer	3/3	0/0	1 February 2026	–	
Z Fuphe	Independent non-executive director	5/5	1/1	1 March 2020	–	
KT Hopkins	Independent non-executive director	5/5	1/1	6 December 2019	–	
TC Isaacs	Independent non-executive director	1/1	0/0	30 June 2021	17 October 2025	During the year under review, none of the directors independently sought advice paid for by the company.
SP Lunga	Executive director/corporate affairs executive	3/3	1/1	18 November 2021	30 April 2026	
SN Maseko	Independent non-executive director	5/5	1/1	15 March 2024	–	
V McMenamin	Independent non-executive director	5/5	1/1	12 December 2019	–	
AFB Mthembu	Independent non-executive director	5/5	1/1	15 January 2024	–	
SH Müller	Independent non-executive director	5/5	1/1	25 June 2012	–	
FH Olivier	Executive director/chief executive officer	5/5	1/1	15 April 2016	–	
S Totaram	Independent non-executive director	2/2	1/1	5 May 2025	–	

¹ Apologies were received in the instance where a member did not attend.
² JAI Ferreira was appointed as the CFO with effect from 1 February 2026.

The board is satisfied that it has covered all dimensions of its governance role and fulfilled its responsibilities in accordance with its charter for the reporting period. The board has not appointed a lead independent non-executive director.

Focus areas for FY26

- These focus areas demonstrate how the board creates, preserves and protects value over the short, medium and long term. Through oversight of strategic execution, capital allocation, operational performance, cash generation, debt reduction, material risks and leadership succession, the board supports sustainable earnings growth, strengthens financial resilience and aligns management's decisions with the group's purpose, strategy and stakeholder interests.
- Monitoring the progress against the following key strategic objectives to improve returns, deliver earning growth and strengthen balance sheet flexibility:
 - » **Realising the value of our major capital projects:** Our major capital projects, amounting to c. R2.6 billion, were completed in FY24, and ramped up in FY25. PG Bison's new MDF line is the largest of these.
 - » **Improving underperforming businesses:** The most material areas of underperformance relate to Unitrans.
 - » **Reducing net debt:** Achieve a targeted net debt reduction of R700 million in FY26, with a further reduction planned for FY27.
 - Reviewing the execution of the company's strategy, including its portfolio of business, revenue growth, cost control and margin enhancement.
 - Reviewing progress made against the FY26 key workstreams and approving the FY27 key workstreams which support the five-year strategic plan.
 - Engaging with the divisional CEOs at the board conference to assess the FY27 divisional workstreams in line with the strategic priorities of each division.
 - Interrogating and approving the company's annual budget.
 - Monitoring and guiding management in managing the group's key risk relating to Saffipol's disputes with Sasol's on pricing and volumes under the ethylene supply agreement.
 - Recruiting a suitable candidate to fill the CFO role following the appointment of the CEO, Frans Olivier, who was the CFO at the time.

HOW THE BOARD GOVERNS (CONTINUED)

Future focus areas

These priorities are intended to sustain value creation by converting key workstreams into improved returns and cash generation, strengthening the balance sheet and pursuing disciplined, value-accretive growth.

- Extracting value from key workstreams
- Generating free cash flow and reducing net debt
- Improving returns and increasing economic value
- Identifying opportunities for value-accretive growth

Compliance with financial reporting requirements

The board is ultimately responsible for ensuring that the group maintains adequate records for timeous and reliable reporting on the financial position of the group and the results of business activities. To assist in effectively discharging this duty, the board relies on management. Financial reporting procedures and disciplines have therefore been implemented at all levels across the group. To facilitate the fulfilment of the directors' financial reporting obligations in terms of the JSE Listings Requirements, the key internal financial controls were subject to an assessment for effectiveness and alignment with the year-end closing and consolidation process, to ensure that the financial reporting is accurate and that the consolidated financial statements for the 2026 financial year were not materially misstated. The internal controls are designed to provide reasonable, but not absolute, assurance on the reliability of the consolidated and company annual financial statements, to adequately safeguard, verify and maintain accountability of assets and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained employees with appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the year under review.

Financial risks such as liquidity (funding) risk, currency risk and interest rate risk, as well as certain risk mitigation controls, such as insurance, are largely controlled and/or arranged centrally. Comprehensive planning and budgeting processes are completed on an annual basis. Divisional annual budgets are reviewed and require board approval. Actual results achieved are compared monthly with budgets, to identify any deviations from approved plans and to allow timely corrective action to be taken. The group financial statements have been prepared on the going concern basis. Having made appropriate enquiries, the directors have every reason to believe that the group and

company have adequate resources to continue in operation for the foreseeable future, based on the forecast and available cash resources. The external auditor concurred with the board's going concern view.

Risk management

The group's risk management is subject to a comprehensive governance process, which complies with the recommendations of the King Code. Although the board remains ultimately accountable for risk management and the group's compliance with all governance and legislative requirements, it relies on management sector expertise and assistance. The board sets the risk management policy and determines the risk tolerance and appetite levels. The board has tasked the audit and risk committee with monitoring the ongoing governance of the risk management process, which includes processes to ensure the effectiveness of risk management within the group. Management is responsible for the implementation of risk management, which includes the identification, analysis and mitigation of the risks within their areas of responsibility, the maintenance of current controls for risks, the implementation of additional mitigation measures and the effective use of risk management data as a decision-making tool.

An approved enterprise risk management policy exists, which sets out risk tolerance and appetite, while the enterprise risk management framework stipulates risk management responsibilities, methodologies and tools. Divisional compliance with tolerance and appetite guidance, as well as the effectiveness of risk management implementation, is monitored through our various governance structures, and the use of our combined assurance framework.

 [Read more: Risk and related opportunities, page 33](#)

Information technology ('IT')

Although the board is ultimately responsible for overseeing the group's digital and IT strategy and ensuring that supporting governance structures and processes are robust, it relies on management sector expertise and assistance. This includes setting strategy and direction, assessing the value that investment in IT provides the group, and receiving assurance (via the audit and risk committee) that appropriate measures are in place to monitor and manage information risk and cyber resilience across the group.

A formal IT charter exists for the group, and is reviewed by the board on a periodic basis. The charter sets out the responsibilities and authority delegated by the board to the executive management of the company and its

subsidiaries for the effective use and management of information assets (including data and systems), to support the achievement of the group's objectives. An IT-specific risk management framework has been implemented in the group, with the purpose of providing the board with reasonable assurance regarding the security, availability, integrity, confidentiality and privacy of the group's information assets. Further oversight is provided by internal audit to ensure adherence to the charter and frameworks.

The group is committed to managing information assets in a manner that complies with all relevant legislation, protects the rights of all stakeholders, enables sound decision-making and promotes transparency. Specific attention is given to maintaining a strong security posture by driving group-level initiatives focused on a cybersecurity culture and hygiene, continuous assurance of basic security controls (such as access control and vulnerability management), third-party risk management and cyber resilience.

Privacy compliance, in the form of policies, procedures, guidelines and training, is an ongoing process across the group to ensure continued legal compliance with data privacy legislation. No material data breaches occurred during the review period. Various minor incidents were noted by management and reported to the information regulator where required.

Combined assurance

Combined assurance refers to the integration, coordination and alignment of all risk management and assurance processes across the group to optimise and maximise the level of governance and control oversight of the risk landscape, providing stakeholders with an increased level of confidence and assurance.

A combined assurance committee, as detailed in the framework, oversees the combined assurance activities. In line with the King Code principles, the audit and risk committee is responsible for monitoring the appropriateness of the combined assurance model and ensuring that significant risks are adequately addressed. By continually optimising the combined assurance model, duplicated efforts are avoided and gaps in assurance for significant risks are identified. The model also allows for the rationalisation of assurance efforts among assurance providers, coupled with the effective management of assurance costs.

HOW THE BOARD GOVERNS (CONTINUED)

The responsibility for ensuring the effectiveness of the internal control systems across the group rests with the board. However, the board has delegated implementation of the group's systems of risk management and internal control, including financial control, to executive management. Systems of internal controls, which are embedded in all key operations, provide reasonable, although not absolute, assurance that the group's objectives will be achieved, subject to defined risk tolerance levels.

The combined assurance process embraces all assurance activities in a coordinated approach across four lines of defence:

1st line: Management oversight – people, systems and controls

The first line of defence is divisional management as the primary performance provider, responsible for implementing and maintaining controls to manage key risks. Controls are implemented by various methods, including people, procedures and systems. Divisional management also implements a primary level of oversight over the effective operation of controls in the form of various checklists and self-assessments.

2nd line: Corporate functions – oversight of risk management, compliance, governance and legal

The corporate functions maintain an oversight role over several key functional areas where centralised control can add value (to avoid replication across divisions), and in areas where the group can benefit from aggregation of best practice, such as centralised appointment of assurance providers. Areas where the group maintains central oversight functions include risk management, compliance, tax, legal, treasury, secretarial, human capital and IT. Each of these functions is responsible for assurance programmes to standardise best practices and make the application of controls over key risks consistent across the group. Corporate functions also assist through the design of policies, frameworks, methodologies and assurance programmes that are used throughout the group to maintain a consistent standard of control over key risk areas.

3rd line: Internal audit | 4th line: External audit and other external assurance providers

The third and fourth lines of defence comprise independent third-party assurance providers (internal and external audits), whose reports are presented to the audit and risk committee of the company, as well as to the relevant divisional audit and risk committees. Further details on the combined assurance processes are available in the audit and risk committee report in the AFS.

During the financial year, in line with the amended framework, a full round of divisional combined assurance forums was held, along with the combined assurance committee meetings. The divisional forums reviewed the divisional self-assessment of their control environment (1st line), evaluated the effectiveness of controls, identified gaps in the current assurance workplans' control environment or opportunities for rationalisation of assurance activities, and documented and tracked corrective actions. These forums also kept track of all external (3rd and 4th lines) assurance providers utilised by each division. The focus of these meetings was therefore on the design of management (1st line) control assurance activities. The mapping results of the 1st line assurance mapping activities combined with updated 2nd line assurance mapping activities inform the update of the overall combined assurance map for the group.

The board is satisfied that its assurance activities result in an adequate, effective control environment and that the integrity of reports can be relied on for decision-making.

 [Read more: Governance framework, Consolidated and company annual financial statements](#)

Stakeholder focus during the year

The group's stakeholder-inclusive governance approach uses regular engagement to inform decision-making and align strategy with stakeholder interests. During the year, the board focused on strengthening accountability through leadership capacity, development and incentives aligned with improved returns, balance sheet resilience and operational efficiency, while overseeing regulatory compliance, risk management and constructive engagement with government and industry bodies to support sustainable long-term value creation.

 [Read more: Stakeholder engagement, page 29](#)

HOW THE BOARD FUNCTIONS

The agenda for the board meeting is set in collaboration between the chairperson, the CEO, CFO (where applicable) and the company secretary. The agendas are aligned with the workplans of the board and its committees. The workplan provides assurance that all matters for the respective committees are addressed during a financial year.

At each board meeting, directors formally declare in writing their personal financial interests in contracts, shareholdings and appointments to other boards. Involvement in related-party transactions and other interests and relationships, such as with domestic or foreign politically exposed persons/ prominent influential persons are declared formally four times per year. The board abides strictly by the standards and procedures of directors' conduct and personal financial interests.

Whenever any potential conflict arises or a director (or a person related to such director) has a personal financial interest in respect of a matter to be considered at a meeting, the interest is declared and recorded in the minutes. The director will then leave the meeting immediately after having made the disclosure and given any pertinent input as permitted by the Companies Act. Such a director may not participate in further consideration of the matter. The conflicts-of-interest methodology is applied equally rigorously when decision-making is affected by way of written resolutions. A personal financial interests register, updated on a quarterly basis before the scheduled board meetings, is available on the website.

Non-executive directors are required to dedicate sufficient time to board matters. However, we believe that external directorships which extend beyond the scope of our operations bring a broader, value-adding, independent perspective and dimension to board deliberations. Non-executive directors may serve on other boards provided that such other appointments do not create a direct and material conflict of interest or interfere with their duties as board members. Due to the potential risk of conflict and dilution of focus, the executive directors may not serve on external commercial boards without the explicit approval of the board.

The executive directors do not hold external commercial directorships that represent any material conflict with their duties as directors of the company.

 [Read more: Personal financial interests register](#)

Independence assessments of non-executive directors

The non-executive directors do not have service contracts and are not members of the group's retirement fund schemes. They do not hold any share rights or options under the group's share rights scheme ('SRS'), and they do not receive any incentives based on the group's financial performance. Despite the independent classification assigned to the non-executive directors, the King Code recommends that the independence of long-serving directors be reassessed annually once they have served on a company's board for more than nine years. The King Code does not view an extended term in office as an automatic impairment of a director's independence. This view was adopted by the nomination committee.

Assessment of SH Müller, with a tenure exceeding nine years, was completed during the year under review. The nomination committee considered the results, and concluded that SH Müller remains independent.

Rotation, retirement and succession for directors

The MOI provides for the periodic staggered rotation of non-executive board members to ensure the introduction of members with new expertise and perspectives, while retaining valuable knowledge, skills and experience and maintaining continuity. The MOI provides that, at every AGM of the company, at least one-third of the non-executive directors shall retire from the board by rotation. If eligible, the retiring directors may offer themselves for re-election. The executive directors do not retire in terms of the company's staggered rotation process. Their employment relationships are regulated by their respective contracts with the company. From a statutory perspective, however, the continuance of all directors' board membership is subject to shareholders' ongoing support. From a statutory and governance perspective, directors are not compelled to hold share investments in the company as a qualifying appointment prerequisite.

While it may be sensible for non-executive directors to hold shares to align their interests with those of shareholders, excessive shareholding by non-executive directors may impair their independence and is therefore not encouraged. The directors' shareholding is disclosed in both the annual financial statements and the notice of the November 2026 AGM ('2026 AGM').

At the 2026 AGM, approval will be sought from shareholders to confirm/ratify the appointment of JAI Ferreira, who was appointed as CFO and executive director by the board on 1 February 2026. As the longest-serving directors in office

since re-election or appointment, the nomination committee recommended JA Holtzhausen, Z Fuphe and V McMenemy for rotation. They are eligible and have made themselves available for re-election by shareholders. The three individuals proposed by the nomination committee for re-election at the 2026 AGM have the support of the board.

 [Read more: Consolidated and company annual financial statements, Notice of annual general meeting](#)

Board effectiveness and training

The directors' bespoke induction programme is driven by the unique needs and demands of each individual director. Following appointment, and the formal acceptance thereof, directors are given access to the electronic platform where key group-related documents such as charters, policies, reports, minutes of previous meetings and the MOI and other required documentation can be reviewed in a secure environment.

The company secretary provides directors with statutory, legal and other governance training as and when required. As the board consists of senior, seasoned directors, the training requirements centre around industry-specific training on an ad hoc basis. Directors are aware of and committed to their responsibility for self-development to retain the high levels of competency necessary to add value to board and committee deliberations. As the board remains committed to the ongoing development of its members to ensure that they collectively possess the knowledge, skills and experience required to discharge their duties effectively, directors are encouraged to participate in continuous professional development programmes, including training on governance, regulatory developments, industry trends, sustainability matters and emerging risks. Regular development initiatives support the board in maintaining its effectiveness and staying abreast of evolving business, legislative and governance requirements.

No performance evaluation of the board or its committees was undertaken during the year. As per the recommendations of the King Code, the board will consider the appropriate method and process for evaluating the board and its committees in the next year.

Considering the duties and responsibilities of the chairperson, the CEO and the company secretary, as detailed in the framework, the board is satisfied that the arrangements for its delegation within its own structure promote independent judgement and assist with a balance of power and the effective discharge of its duties.

 [Read more: Governance framework](#)

HOW THE BOARD FUNCTIONS (CONTINUED)

Board composition and skills

The leaders of the company

Full director CVs can be viewed on our website



JA (Johan) Holtzhausen (56)¹
 BLuris, LLB, HDip Tax
 Independent non-executive chairperson

Appointed: 2023 **Tenure:** 3 years

Expertise brought to the board: Strategy, Risk management, Listed corporate and governance, Finance and audit, Remuneration and performance management

Committee memberships: Human capital and remuneration, Nomination, Investment



FH (Frans) Olivier (47)¹
 CA(SA)
 Chief executive officer

Appointed: 2016 (as CFO), 2025 (as CEO) **Tenure:** 10 years

Expertise brought to the board: Industrial manufacturing, Risk management, Strategy, Logistics, Listed corporate and governance, Finance and audit, Remuneration and performance management

Committee memberships: Sustainability, social and ethics, Investment



JAI (Dries) Ferreira (48)¹
 CA(SA), PLD Cert (Harvard)
 Chief financial officer

Appointed: 2026 **Tenure:** 0.5 year

Expertise brought to the board: Industrial manufacturing, Risk management, Strategy, Logistics, Listed corporate and governance, Finance and audit, Remuneration and performance management

Committee memberships: Investment



Z (Zellah) Fuphe (58)¹
 BSocSci, CD(SA), GIBS GEDP
 Independent non-executive director

Appointed: 2020 **Tenure:** 6 years

Expertise brought to the board: Risk management, Strategy, Information technology, Listed corporate and governance

Committee memberships: Audit and risk, Sustainability, social and ethics, Nomination



KT (Ken) Hopkins (71)¹
 BCom (Hons), CA(SA)
 Independent non-executive director

Appointed: 2019 **Tenure:** 7 years

Expertise brought to the board: Risk management, Finance and audit

Committee memberships: Audit and risk



SN (Sipho) Maseko (58)¹
 BA, LLB
 Independent non-executive director

Appointed: 2024 **Tenure:** 2 years

Expertise brought to the board: Strategy, Sales

Committee memberships: Sustainability, social and ethics, Investment



V (Viv) McMenamin (63)¹
 MSc (Econ)
 Independent non-executive director

Appointed: 2019 **Tenure:** 7 years

Expertise brought to the board: Industrial manufacturing, Risk management, Strategy, Listed corporate and governance

Committee memberships: None



AFB (Andrew) Mthembu (70)¹
 BSc (Chem, Biol), BSc (Civ Eng), MSc (Const Mgmt), Advanced Management Programme)
 Independent non-executive director

Appointed: 2024 **Tenure:** 2 years

Expertise brought to the board: Strategy, Risk management, Finance and audit, Information technology, Remuneration and performance management

Committee memberships: Human capital and remuneration, Investment



SH (Steve) Müller (65)¹
 BAcc (Hons), CA(SA), Sanlam EDP
 Independent non-executive director

Appointed: 2012 **Tenure:** 14 years

Expertise brought to the board: Finance and audit, Risk management, Remuneration and performance management

Committee memberships: Human capital and remuneration, Sustainability, social and ethics, Investment



S (Samara) Totaram (48)¹
 CA(SA), CFA
 Independent non-executive director

Appointed: 2025 **Tenure:** 1 year

Expertise brought to the board: Listed corporate and governance, Finance and audit

Committee memberships: Audit and risk, Human capital and remuneration, Nomination

¹ Ages as at 28 October 2026

HOW THE BOARD FUNCTIONS (CONTINUED)

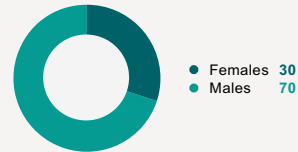
Regulatory requirements of the board include the following:

Regulatory requirement	Compliance by the company	Comment
The Companies Act requires a public company to have at least three directors in addition to the minimum number of directors that the company must have to satisfy any requirement to appoint an audit committee and/or a social and ethics committee.	✓	The board comprises 10 directors.
The company’s MOI states that the board must comprise at least four directors, with the appointment of at least two executive directors.	✓	The board comprises 10 directors of whom two are executive directors.
The King Code and the JSE Listings Requirements require every issuer to appoint a chief executive officer and a chairperson, which positions may not be held by the same person. Furthermore, the chairperson must be an independent non-executive director. A lead independent non-executive director ('LINED') should be appointed if the chairperson is not independent.	✓	The board is led by an independent non-executive chairperson. The positions of chairperson and CEO are held by different directors. It was therefore not necessary to appoint a LINED.
The JSE Listings Requirements determine that all issuers must have a full-time executive financial director ('CFO'), who may not hold any other position or have other commitments that would be considered as full- or part-time employment.	✓	The company has a full-time CFO who is a director of the board and who does not hold any other employment or position.
<div>The King Code recommends that the board's composition should reflect an appropriate balance of power, knowledge, skills, experience, diversity and independence.</div> <div>The board should comprise a majority of non-executive directors ('NEDs'), the majority of whom should be independent.</div> <div>As a minimum, each board should have a CEO and at least one other executive, which 'other executive' may be the CFO.</div>	✓	<div>The directors have diversity of race, gender, age, skills and experience across a wide range of industries.</div> <div>The board comprises a majority of NEDs (80%) who are independent.</div> <div>The company has both a full-time CEO and CFO who are directors of the board. The company has two executive directors.</div>

The board is satisfied that the directors have an appropriate balance of knowledge, skills, expertise, diversity and independence to govern the group effectively, considering the nature, size and scale of operations as well as the laws governing the business.

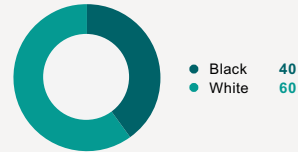
Board diversity

Gender (%)



The target of 30% female representation has been achieved.

Demographics (%)



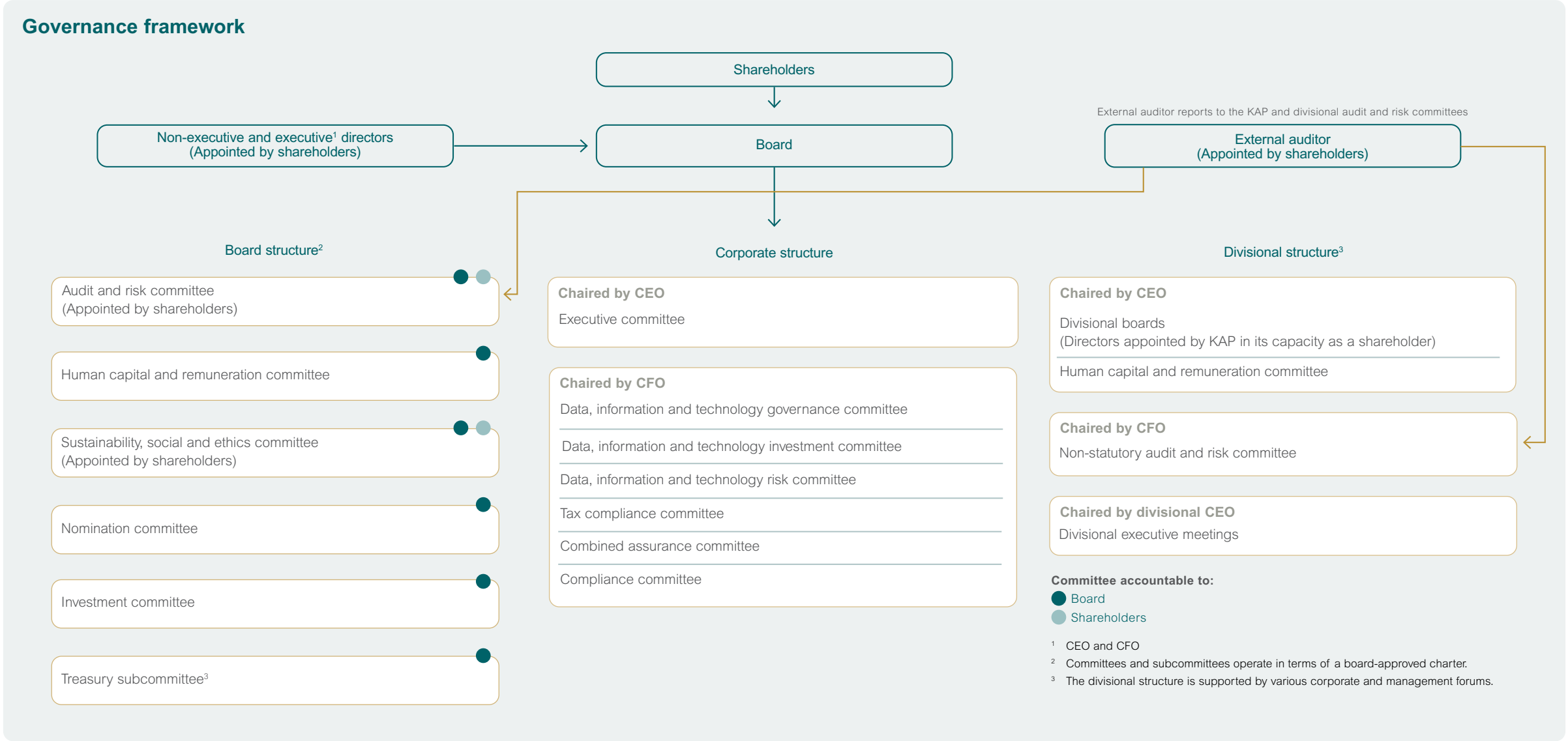
The target of black South Africans collectively representing no less than 30% has been achieved.

During the reporting period, the board diversity policy was reviewed and updated to ensure that it remains relevant from a market expectation as well as a pragmatic perspective.

The board is satisfied that its delegation of authority to committees and individuals within its governance structures promotes the objective and effective discharge of its governance responsibilities. The board further considers the composition of its committees to be appropriate, with members collectively possessing the necessary skills, qualifications, knowledge and experience to fulfil their mandates effectively, including committee members who are not members of the board and who contribute valuable expertise and independent perspectives.

[Read more: Board diversity policy](#)

GOVERNANCE FRAMEWORK AND STRUCTURES



GOVERNANCE FRAMEWORK AND STRUCTURES (CONTINUED)

The six board committees assist in discharging the board's duties and responsibilities as detailed in the charter. The committees are also responsible for overseeing the defined governance domains of the framework. There are formal reporting structures from the committees to the board and the shareholders. The board reviews the mandate and charters of the committees on an annual basis to ensure effective oversight and control of the operations of the group.

The board committees are chaired by independent non-executive directors as detailed in the framework. In some instances, board committees have overlapping responsibilities, providing different perspectives on board material in line with their mandates. Overlapping memberships assist with effective communication between the committees and ensure that relevant matters are considered from all angles by the relevant committees and formally reported to the board.

A summarised view of the directors' committee memberships is included below:

Members	Audit and risk	Human capital and remuneration	Sustainability, social and ethics	Nomination	Investment	Number of committee memberships
JA Holtzhausen		M		C	C	3
JAI Ferreira	I		I		M	1
Z Fuphe	M		C	M		3
KT Hopkins	M					1
SN Maseko			M		M	2
V McMenamin						–
AFB Mthembu		M			M	2
SH Müller		M	M		M	3
FH Olivier	I		M		M	2
S Totaram	C	C		M		3

I Invitee M Member C Chairperson

Read more: [Board charter](#), [Governance framework](#)



GOVERNANCE FRAMEWORK AND STRUCTURES (CONTINUED)

Board committees

Audit and risk committee

Members	Designation	Scheduled meeting attendance	Special meeting attendance	Appointment date to committee	Resignation/ retirement date from committee	Re-election	Compliance
S Totaram ¹	Independent non-executive director/chairperson	4/4	1/1	5 May 2025	–	Recommended for re-election at 2026 AGM	The board is satisfied that the nomination committee assessed and was satisfied that the members, as a collective, have the required knowledge, experience and all-round competence to serve on an audit committee of a public, listed company.
Z Fuphe	Independent non-executive director	4/4	1/1	1 March 2020	–	Recommended for re-election at 2026 AGM	
KT Hopkins	Independent non-executive director	4/4	1/1	6 December 2019	–	Recommended for re-election at 2026 AGM	
TC Isaacs	Independent non-executive director	2/2	1/1	30 June 2021	17 October 2025	–	
SH Müller	Independent non-executive director	4/4	1/1	25 June 2012	15 November 2025	–	

¹ S Totaram was appointed as the chairperson of this committee with effect from 15 November 2025.

The committee agenda allows for private meetings to be convened without management present. The committee is satisfied that it has fulfilled its responsibilities in accordance with its charter and all statutory requirements for the year under review. The board resolved that the current members should continue to serve as the members of this committee.

Mandate

The committee’s main role is to assist the board in the fulfilment of its oversight responsibilities, in particular the integrity of the group’s financial statements and the effectiveness of the systems of internal financial control, financial reporting and risk management. The committee is responsible for assessing the effectiveness of the internal audit function, the finance and CFO function, as well as the external audit function. The details of the committee’s composition, chairperson, purpose, responsibilities, objectives and invitees are contained in the framework and its charter.

The committee’s primary duties and objectives have been executed in terms of the committee’s mandate and statutory obligations, which are disclosed in the report of the audit and risk committee contained in the AFS.

The committee is satisfied that it has fulfilled its responsibilities and mandate as stipulated in the charter.

Focus areas for FY26

- Focused specifically on the validity, accuracy and completeness of the impairment assessments conducted in respect of goodwill, indefinite useful life intangible assets and property, plant and equipment.
- Provided regular oversight of the IT systems and processes.
- Focused on the group’s position on data governance and information security, which will be an ongoing focus item.

Key audit matter

In addition to the focus areas for FY26, the committee also considered key audit matters identified by the external auditors:

- impairment assessment of goodwill and intangible assets with indefinite useful lives;
- valuation of timber plantations; and
- impairment assessment of the Safripol Durban PET plant.

Details have been disclosed in the auditor’s report in the AFS.

Performance evaluation of the committee

The committee did not undergo a performance assessment during the year. The board will consider the appropriate method and process for evaluating the committee in FY27.

Performance evaluation of the CFO and the finance function

As required by the JSE Listings Requirements and the JSE Debt & Specialist Securities Listings Requirements, and the recommended practices of the King Code, the committee has assessed the competence and performance of the CFO and believes that he possesses the appropriate expertise and experience to meet the responsibilities of his position. The committee is satisfied with the expertise and adequacy of resources within the finance and tax functions and the experience of staff within these functions.

 [Read more: Governance framework, Audit and risk committee charter, Consolidated and company annual financial statements](#)

GOVERNANCE FRAMEWORK AND STRUCTURES (CONTINUED)

Human capital and remuneration committee

Members	Designation	Scheduled meeting attendance	Appointment date to committee	Resignation/retirement date from committee	Compliance
S Totaram	Independent non-executive director/ chairperson	0/0	17 October 2025	–	The board is satisfied that the committee is appropriately diverse and has the required knowledge, experience and skills to discharge its responsibilities effectively. The members, as a collective, have the required knowledge, experience and all-round competence to serve on a human capital and remuneration committee of a listed company.
JA Holtzhausen	Independent non-executive director	2/2	17 March 2023	–	
AFB Mthembu	Independent non-executive director	2/2	15 January 2024	–	
SH Müller ¹	Independent non-executive director	2/2	14 August 2018	–	

¹ SH Müller stepped down as the chairperson of this committee effective 1 July 2026 and remains a member.

Mandate

The main role of this committee is to determine the group’s overall approach to remuneration and public disclosure. The committee regulates the remuneration and labour procedures of employees with a particular focus on the remuneration of senior and executive management. The details of the committee’s composition, chairperson, purpose, responsibilities, objectives and invitees are contained in the framework.

The committee is satisfied that it has fulfilled its responsibilities and mandate as stipulated in the charter.

Focus areas for FY26

- Reviewed the group’s human capital strategy and the alignment thereof with the company strategy.
- Reviewed the remuneration policy and the non-executive directors’ fees.
- Reviewed the executive structure and succession planning for executive management.
- Evaluated the human capital management practices to ensure fairness, responsibility, transparency, alignment with the King Code, and compliance with the specific requirements of relevant labour legislation.
- Reviewed the risk associated with the loss of key personnel and the implementation of associated talent retention measures.
- Reviewed the group’s approach to diversity and inclusion, with specific reference to EE and the sectoral targets in terms of the EE Regulations, 2025.

Future focus areas

- Retain scarce skills and recruit key leadership to execute both the group and divisional strategies.
- Incorporate transformation imperatives in leadership development.
- Communicate effectively the remuneration policy and the implementation report.
- Review the remuneration structure for senior executives and the effectiveness of performance measures used for incentives.
- Promote diversity, inclusion and depth of succession talent.

Performance evaluation

The committee did not undergo a performance assessment during the year. The board will consider the appropriate method and process for evaluating the committee in FY27.

 [Read more: Governance framework](#)

GOVERNANCE FRAMEWORK AND STRUCTURES (CONTINUED)

Sustainability, social and ethics committee

Members	Designation	Scheduled meeting attendance	Appointment date to committee	Resignation/retirement date from committee	Election	Compliance
Z Fuphe	Independent non-executive director/chairperson	2/2	1 March 2020	–	Recommended for election at 2026 AGM	The board is satisfied that the committee has discharged all its responsibilities as contained in its charter, the Companies Act, the JSE Listings Requirements, the King Code and all other applicable statutory obligations.
GN Chaplin	Executive director	1/1	18 November 2014	31 October 2025	–	
TC Isaacs	Independent non-executive director	2/2	30 June 2021	17 October 2025	–	
SN Maseko	Independent non-executive director	2/2	15 March 2024	–	Recommended for election at 2026 AGM	
SH Müller	Independent non-executive director	2/2	15 May 2017	–	Recommended for election at 2026 AGM	
FH Olivier	Executive director	1/1	31 October 2025	–	Recommended for election at 2026 AGM	

Mandate

The committee's main role is to assist the board in fulfilling its oversight responsibilities, particularly of sustainability matters, including socioeconomic development, ethics, environmental, social and governance ('ESG'), good corporate citizenship, health and public safety and specific labour and employment matters. The details of the committee's composition, chairperson, purpose, responsibilities, objectives and invitees are contained in the framework.

The committee is satisfied that it has fulfilled its responsibilities and mandate as stipulated in the charter. The board resolved that the members should continue to serve as the members of this committee.

Focus areas for FY26

- Continued to integrate ESG aspects and sustainability principles into the KAP strategy.
- Reviewed several policies, covering areas of the environment, human rights, ethics, diversity, fraud and insider-trading.
- Strengthened key components of KAP's ethics framework and governance approach.
- Oversaw and monitored investigations arising from ethics line reports, including matters that have resulted in criminal prosecution.

Performance evaluation of the committee

The committee did not undergo a performance assessment during the year. The board will consider the appropriate method and process for evaluating the committee in FY27.

 [Read more: Governance framework](#)

GOVERNANCE FRAMEWORK AND STRUCTURES (CONTINUED)

Nomination committee

Members	Designation	Scheduled meeting attendance	Appointment date to committee	Resignation/retirement date from committee	Compliance
JA Holtzhausen	Independent non-executive director/chairperson	2/2	17 March 2023	–	The board is satisfied that the committee is appropriately diverse and has the required knowledge, experience and skills to discharge its responsibilities effectively. The members, as a collective, have the required knowledge, experience and all-round competence to serve on a nomination committee of a listed company.
Z Fuphe	Independent non-executive director	2/2	1 March 2020	–	
S Totaram	Independent non-executive director	2/2	5 May 2025	–	

Mandate

The committee's main role is to review the board's, and its committees', composition and succession planning to ensure that the board, and its committees, are well rounded with the required skills, knowledge and experience to execute its respective responsibilities. The details of the committee's composition, chairperson, purpose, responsibilities, objectives and invitees are contained in the framework.

The committee is satisfied that it has fulfilled its responsibilities and mandate as stipulated in the charter. The board resolved that the current members should continue to serve as the members of this committee.

Focus areas for FY26

- Recruited a new CFO for the group.
- Reviewed and updated the board succession plan, and composition of the board and board committees.
- Reviewed the classification of directors and evaluated the independence of the long-serving non-executive directors.
- Recommended the directors to rotate at the 2026 AGM in accordance with the company's staggered rotation policy.

Future focus areas

- Succession planning for the board and chairpersons of the board committees.

Performance evaluation of the committee

The committee did not undergo a performance assessment during the year. The board will consider the appropriate method and process for evaluating the committee in FY27.

 [Read more: Governance framework](#)

GOVERNANCE FRAMEWORK AND STRUCTURES (CONTINUED)

Investment committee (ad hoc committee)

Members	Designation	Scheduled meeting attendance	Appointment date to committee	Resignation/retirement date from committee
JA Holtzhausen ¹	Independent non-executive director/chairperson	2/2	17 March 2023	–
GN Chaplin	Executive director	1/1	14 August 2018	31 October 2025
JAI Ferreira	Executive director	1/1	11 February 2026	–
SN Maseko	Independent non-executive director	2/2	15 March 2024	–
AFB Mthembu	Independent non-executive director	2/2	15 January 2024	–
SH Müller ¹	Independent non-executive director	2/2	14 August 2018	–
FH Olivier	Executive director	2/2	14 August 2018	–

¹ JA Holtzhausen was appointed as the chairperson for this committee effective 1 July 2026, replacing SH Müller, who remains as a member.

Mandate

The main role of this committee is to provide recommendations to the board in respect of corporate actions and capital allocations in line with the strategy. The committee also reviews the investment(s) made within a specific period to determine/assess the investment(s) in line with the forecast based on data and due diligence. The details of the committee's composition, chairperson, purpose, responsibilities, objectives and invitees are contained in the framework.

The committee is satisfied that it has fulfilled its responsibilities and mandate as stipulated in the charter. The board resolved that the current members should continue to serve as the members of this committee.

Focus areas for FY26

- Reviewed ongoing investment opportunities.
- Reviewed PG Bison Mkhondo's MDF line project.
- Reviewed Safripol's HDPE conversion and extruder project.
- Reviewed the merger of PG Bison southern Cape with MTO Forestry.

 [Read more: Governance framework](#)

GOVERNANCE FRAMEWORK AND STRUCTURES (CONTINUED)

Executive committee and structures

Executive committee

Full executive CVs can be viewed on our website



FH (Frans) Olivier (47)
CA(SA)
Chief executive officer
Appointed: 2016 (as CFO), 2025 (as CEO)
Years of service: 10 years



JAI (Dries) Ferreira (48)
CA(SA), PLD Cert (Harvard)
Chief financial officer
Appointed: 2026
Years of service: 0.5 year



H (Neels) Kornelius (53)
BEng (Chem), MBL
Enterprise risk executive
Appointed: 2022
Years of service: 4 years



C (Corné) van der Schyff (49)
CA(SA)
Finance executive
Appointed: 2022
Years of service: 4 years



AL (Lizette) Bestbier (53)
MPhil (HR Development), BA Hons (Psych)
and Postgrad Coaching
Human capital executive
Appointed: 2026
Years of service: 0.1 year



LML (Mike) Besteiro (57)
MSc (Ind Eng)
IT executive
Appointed: 2018
Years of service: 8 years



CH (Christina) Steyn (46)
BSc, BSc Hons (Physics), MSc (Physics),
PhD (Physics), MBA, Cert.Dir
Investor relations and sustainability executive
Appointed: 2021
Years of service: 5 years



Y (Yokesh) Maharaj (54)
BBA, BTech, Advanced Business Programme,
Executive Development Programme
Revenue growth executive
Appointed: 2025, resigned 31 August 2026
Years of service: 1.5 years



CC (Cicelia) Potgieter (56)
BCom Hons (Acc), MCom (Tax), CA(SA)
Tax executive
Appointed: 2022
Years of service: 4 years



RH (Reino) Louw (53)
BCom (Law), LLB, LLM
Treasury and legal executive
Appointed: 2018
Years of service: 8 years



G (Gerhard) Victor (60)
N6 Mechanical Engineering certificate
PG Bison chief executive officer
Appointed: 2014
Years of service: 12 years



N (Nico) van Niekerk (64)
BEng (Chem Eng), MBA
Safripol chief executive officer
Appointed: 2019
Years of service: 7 years



E (Edwin) Hewitt (60)
Master's Diploma in Technology: Metallurgical
Engineering
Unitrans chief executive officer
Appointed: 2024
Years of service: 2 years



NJ (Nic) Zerbst (55)
NHD (Mechanical Engineering), MBA
Feltex chief executive officer
Appointed: 2025
Years of service: 1 year



M (Michael) Borchers (54)
Sleep Group chief executive officer
Appointed: 2022
Years of service: 4 years



SM (Steve) Ford (57)
MSc (Eng)
Optix chief executive officer
Appointed: 2021
Years of service: 5 years

The Exco is a committee of the CEO. Its primary responsibility is to assist and advise the CEO on implementing the strategies and policies approved by the board, managing the business and affairs of the group, prioritising the allocation of capital, technical and human resources, and ensuring best management practices. The Exco is not a decision-making body but rather carries an oversight and governance responsibility. The Exco comprises the 15 members listed above. The Exco usually meets on a quarterly basis with additional ad hoc meetings as and when required.

Monthly management accounts are reported to the Exco. Review of the financial performance of the group is a standing item on the agenda of the Exco, the audit and risk committee and the board. Financial performance reports and operational overview reports are submitted to the audit and risk committee and the board at least four times a year.

GOVERNANCE FRAMEWORK AND STRUCTURES (CONTINUED)

Divisional structures

The divisional board meetings are centred around strategy implementation, while divisional strategies are aligned with the group strategy.

Divisional human capital and remuneration committees exist and are chaired by the CEO. The divisional human capital and remuneration committees meet on an annual basis to discuss and address divisional succession planning, training of employees, EE throughout the group and position value propositions. The agendas of the divisional human capital and remuneration committees are aligned with the workplan and charter of the group’s human capital and remuneration committee. The minutes for these meetings are included in the group’s human capital and remuneration committee meeting packs (as supplementary documentation) to ensure open and transparent communication and to assist with the fulfilment of the obligations of the human capital and remuneration committee.

Financial performance reviews, internal audit reports, risk and assurance reports, compliance reports, tax, and IT reports are reviewed and interrogated by the divisional audit and risk committees on a biannual basis. The minutes for these meetings are included in the audit and risk committee meeting packs (as supplementary documentation) to ensure open and transparent communication and to assist with the fulfilment of the obligations of the audit and risk committee.

Divisional Excocos exist within each of the divisions, where divisional strategy and operational matters are monitored by the division’s top management team.

Approval frameworks exist and are maintained throughout the group, for both the corporate functions and the divisions. The corporate approvals framework is regularly reviewed by the board and the divisional frameworks are aligned with it. Any material issues of non-compliance are escalated to the audit and risk committee, the sustainability, social and ethics committee and/or the board.

The board is satisfied that the divisional governance structure and approvals frameworks contribute positively to enhance clarity between the different roles and obligations, and lead to the effective exercise of authority throughout the group.

Corporate committees

The corporate committees, established by the CFO, are voluntary. The purpose of each of these committees is set out in their respective charters. A summarised version of these committees is contained in the framework. These committees have evolved to assist both the CEO and the CFO in discharging their respective responsibilities by implementing the frameworks and overseeing assurance and compliance throughout the group.

Company secretary

The company secretary is appointed by the board. The company secretary is an entity, KAP Secretarial Services Proprietary Limited (‘KSS’) as detailed in the framework. The company secretary renders its services under the guidance of a charter which regulates its working relationship with the board. During the review period, the board reviewed and updated the charter.

All directors have access to the advice and services of the company secretary. In serving the board, the company secretary draws on the collective skill sets of the four KSS directors mentioned below, the dedicated support of secretarial services, as well as relevant expertise from other corporate functions:

- C van der Schyff
- RH Louw
- C Beetge
- L Kok

These directors collectively have experience and expertise in the fields of, among others, general management, mergers and acquisitions, secretarial services, treasury, funding, finance, legal, compliance and corporate governance.

The company secretary is mainly responsible for the duties as set out in the Companies Act, as well as for ensuring compliance with the JSE Listings Requirements. The company secretary acts as a central source of information and advice to the board and the company on matters of ethics and good governance. It also ensures that the proceedings and affairs of the board, board committees, Exco, corporate committees, the company and the group are administered properly in line with applicable laws. The secretarial department is the custodian of the statutory records of the group in South Africa. It also acts as the central point of contact between the group and the various company secretaries (or agents) in other territories, who are responsible for complying with the relevant foreign corporate legislation and regulations.

The performance of the company secretary is assessed annually. As part of the review process, assurance is sought on the relationship between the secretarial function and the board.

The board is satisfied with the support services provided, as well as the competence, qualifications and experience of the KSS directors. During the most recent appraisal of the performance of the company secretary, the board expressed satisfaction that the secretarial services had been rendered on an arm’s-length basis and on market-related terms. The company secretary performed its role adequately in an independent manner, including its responsibility as gatekeeper of good corporate governance in the group.

 [Read more: Governance framework](#)