KING V DISCLOSURE FRAMEWORK

Dis-Chem Pharmacies Limited

For the financial year ended 28 February 2026

This disclosure has been prepared in accordance with the King V Disclosure Framework issued by the Institute of Directors in South Africa (IoDSA). It sets out Dis-Chem Pharmacies Limited's application of each of the 13 King V principles for the financial year ended 28 February 2026. Where all recommended practices have been applied, the exception declaration confirms this. Where practices have not been applied or have been modified, the exception declaration identifies the relevant practice number, and the narrative provides the explanation and compensating measures.

<table>
<tr><th>Principle</th><th>Exception Declaration</th><th>Narrative</th></tr>
<tr><td>Principle 1</td><td></td><td></td></tr>
<tr><td>The governing body leads ethically and effectively as the focal point of corporate governance in the organisation.</td><td>All recommended practices in relation to Principle 1 have been applied
No exceptions to declare.</td><td>Ethical and Effective Leadership
The Dis-Chem Board of Directors is the focal point of corporate governance and bears ultimate accountability for the Group's ethical and effective leadership. The Board governs in a manner that supports the achievement of King V's four governance outcomes: ethical culture, sustainable performance, effective conformance, and organisational legitimacy.
The Board's roles, responsibilities and procedures are formally documented in a Board Charter, which is reviewed annually. Although the Board delegates specific responsibilities to its committees and management, it retains overall accountability for all delegated matters.</td></tr>
<tr><td></td><td></td><td>Board Meetings and Attendance
Four Board meetings were held during FY2026. Attendance was 4/4 for all directors across the financial year:
<table>
<tr><th>Director</th><th>Board Meeting Attendance</th></tr>
<tr><td>Rui Morais</td><td>4/4</td></tr>
<tr><td>Julia Pope</td><td>4/4</td></tr>
<tr><td>Ivan Saltzman</td><td>4/4</td></tr>
<tr><td>Saul Saltzman</td><td>4/4</td></tr>
<tr><td>Stan Goetsch</td><td>4/4</td></tr>
<tr><td>Larry Nestadt</td><td>4/4</td></tr>
<tr><td>Joe Mthimunye</td><td>4/4</td></tr>
<tr><td>Katlego Kobue</td><td>4/4</td></tr>
<tr><td>Alupheli Sithebe</td><td>4/4</td></tr>
<tr><td>Happy Masondo</td><td>4/4</td></tr>
<tr><td>Anuschka Coovadia</td><td>4/4</td></tr>
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		Accountability Mechanisms • A formal, externally facilitated Board performance evaluation was conducted in FY2026, assessing effectiveness in strategy oversight, risk governance, succession planning, diversity, and stakeholder engagement. The evaluation confirmed that the Board and its committees continue to operate effectively. • Areas for enhancement identified in the evaluation include a deeper focus on digital transformation, AI governance, and sustainability integration. • Individual director evaluations inform re-election decisions and ongoing development priorities. • Directors are required to maintain a clear declaration of interests and to manage conflicts appropriately. A strict Share Dealing Policy and a closed-period trading protocol are in place. • The Board fosters a culture of constructive challenge and ethical conduct, supported by the Group's Code of Ethics and whistleblowing procedures.
		Concluding Statement The Board confirms that the application of Principle 1 has achieved the governance outcomes of ethical culture, performance and value creation, conformance and prudent control, and legitimacy.

Principle	Exception Declaration	Narrative
Principle 2		
The governing body oversees the organisation's ethics, fostering an ethical organisational culture and promoting responsible corporate citizenship.	• All recommended practices in relation to Principle 2 have been applied • No exceptions to declare.	**Governance Structures for Ethics and Corporate Citizenship** The Board exercises oversight of organisational ethics through its Social and Ethics Committee, chaired by Alupheli Sithebe and comprising Anuschka Coovadia and Happy Masondo. The Social and Ethics Committee reports to the Board. Dis-Chem's Code of Ethics sets out expectations for lawful, ethical, and responsible behaviour across the organisation. Training programmes, declarations of interest, conflict management processes, and confidential whistleblowing channels reinforce these standards.
		Key Areas of Focus — FY2026 • Introduction of ethics-linked performance indicators for leadership roles, embedding ethical conduct as a measurable dimension of business success. • Strengthened supplier due diligence processes to ensure alignment with ethical standards relating to human rights, labour practices, and environmental stewardship. • Integration of sustainability criteria into procurement decisions and regular supplier assessments. • Community health initiatives, including vaccination drives, wellness screenings, and health education in underserved communities. • Bursaries awarded to permanent employees and dependants to the value of R16 649 059 and investment in Skills Development of R2 554 495.

		• Expanded employee volunteer programme and collaboration with educational institutions to develop pharmacy and healthcare talent.
		Monitoring and Outcomes Compliance effectiveness is monitored through management controls, internal audits, and external assurance. The Social and Ethics Committee reviews whistleblowing reports, ethics training metrics, regulatory interactions, and employee engagement outcomes, and reports them to the Board.
		Future Focus (FY2027) • Enhancing ethical leadership development programmes. • Deepening community partnerships, particularly in healthcare access. • Expanding responsible supply chain initiatives. • Further integrating sustainability considerations into capital allocation and business strategy.

Principle	Exception Declaration	Narrative
Principle 3		
The governing body ensures that the organisation's purpose, business model and strategy result in sustainable value creation within its economic, social and environmental context.	• All recommended practices in relation to Principle 3 have been applied • No exceptions to declare.	The Dis-Chem FY2026 Integrated Annual Report serves as the primary narrative for this principle, including the following sections: • Business Model (IAR page 20): describes the Group's strategy for creating sustainable value through an integrated healthcare ecosystem. • Strategic Framework (IAR page 35): sets out the Group's eight strategic pillars: property, total income growth, cost control, working capital, wholesale market share, integrated healthcare ecosystem, digital, and analytics. • CEO's Report (IAR page 98): addresses strategic execution and progress against priorities in FY2026. • Chair's Report (IAR page 46): covers the Board's strategic oversight role and key areas of focus. • Operating Context (IAR page 19): addresses the economic, social, regulatory, and environmental context. • Capital Allocation Framework (IAR page 37): outlines the disciplined hierarchy for investment decisions. Dis-Chem's purpose is to enable better health outcomes for South Africans through accessible, affordable, and integrated healthcare. The Board is satisfied that the approved strategy aligns with this purpose, the Group's risk appetite, and its long-term sustainability objectives.

Principle	Exception Declaration	Narrative
Principle 4		
The governing body ensures that reports issued by the organisation enable stakeholders to make informed and holistic assessments of how the organisation creates sustainable	• All recommended practices in relation to Principle 4 have been applied • No exceptions to declare.	Dis-Chem's FY2026 reporting suite comprises the following external reports, which together constitute the narrative for this principle: • Integrated Annual Report (IAR): the primary report to shareholders covering strategy, governance, performance, risks, and prospects; prepared in accordance with the IFRS Integrated Reporting

value within its economic, social and environmental context.		• Framework, King V, IFRS Accounting Standards, JSE Listings Requirements, and the Companies Act. • Sustainability (ESG) Report: detailing the Group's ESG strategy, material environmental impacts, social programmes, and governance practices. • Annual Financial Statements (AFS): providing a complete, independently audited account of the Group's financial position; audited by Forvis Mazars Inc., which issued an unmodified audit opinion. • King V Disclosure Framework: this document sets out the Group's application and explanation of each principle. The Board approved the FY2026 Integrated Annual Report on 30 June 2026 and authorised its release. The directors confirm that the IAR, taken as a whole, presents a balanced, accurate, and accessible representation of the Group's performance, position, and prospects.

Principle	Exception Declaration	Narrative
Principle 5		
The composition of the governing body is balanced with respect to the mix of competencies, diversity and independence that enables it to discharge its governance role and responsibilities objectively and effectively.	• All recommended practices in relation to Principle 5 have been applied • No exceptions to declare.	**Board Composition** On 28 February 2026, the Board comprised 11 directors: 5 independent non-executive directors, 2 non-independent non-executive directors, and 4 executive directors. Following the retirement of Ivan Saltzman and Stan Goetsch from their executive roles on 30 June 2026, the board composition as of 1 July 2026 comprises 5 independent non-executive directors, 3 non-independent non-executive directors, and 2 executive directors.
		Director Profiles

Director	Category	Age	Appointed	Qualifications
Larry Nestadt	Independent non-executive Chair	75	2016	
Rui Morais	Chief Executive Officer	42	2016	BCom (CA)SA
Julia Pope	Chief Financial Officer	45	2023	BCom (CA)SA
Ivan Saltzman	Independent Executive Director	75	2016 (retired as an executive effective 1 July 2026)	DipPharm
Stan Goetsch	Independent Executive Director	69	2022 (retired from the board effective 1 July 2026)	BPharm
Saul Saltzman	Non-Independent Non-Executive Director	46	2026	BCom. PGDM
Katlego Kobue	Non-Independent Non-Executive Director	38	2021	BCom
Anuschka Coovadia	Independent Non-Executive Director	48	2016	MBChB, MAP, MSE
Happy Masondo	Independent Non-Executive Director	58	2022	BA, BCom

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<tr><td>Joe Mthimunye</td><td>Independent Non-Executive Director</td><td>61</td><td>2016</td><td>BCom (CA)SA</td></tr>
<tr><td>Alupheli Sithebe</td><td>Independent Non-Executive Director</td><td>43</td><td>2021</td><td>BCom (CA)SA, MBA</td></tr>
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* Ivan Saltzman retired as Executive Director on 30 June 2026 and was appointed as a Non-Independent Non-Executive Director on the same day.
* Stan Goetsch retired as Executive Director on 30 June 2026.
* Saul Satlzman resigned as an Executive Director on 27 February 2026 and was appointed as a Non-Independent Non-Executive Director.
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Chairperson
Larry Nestadt serves as the Independent Non-Executive Chair. The roles of the Board Chair and the CEO are separate. No independent lead director has been appointed, as the Chair is independent. The Board is satisfied that this arrangement is appropriate.
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Independence Assessment
The Board conducted a formal assessment of director independence during FY2026. The assessment incorporated the King V criterion of nine-year tenure as a holistic factor alongside other indicators of objective judgment. The Board is satisfied that all directors categorised as independent demonstrate the requisite level of independence in character and judgement, with appropriate safeguards in place.
Independence has been confirmed externally for all directors appointed since 2016.
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Diversity Targets and Progress

Race target: 40% Black directors (as defined by the South African Financial Sector Code) and 25% black woman. Actual as at 28 February 2026: 45% black directors, 27% black female directors.
Gender target: one third female directors and a minimum of one female executive director. Actual as at 28 February 2026: 36% female directors, one female executive director.

The Board formally approved the Board's gender and race targets. Refer to the Group website for the diversity policy.
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Skills
The Board's core competencies span: (1) retail pharmacy and healthcare operations; (2) finance, accounting, and audit; (3) healthcare advisory, policy, and research; (4) private equity, investments, and M&A; (5) corporate strategy, governance, and listed-company leadership; and (6) legal, regulatory, sustainability, ESG and risk. The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity, and independence.
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Principle	Exception Declaration	Narrative
Principle 6		
The governing body ensures that	• All recommended practices in relation to	**Delegation Framework**

arrangements for delegation to its committees and individuals within its own structures support the objective and effective discharge of its governance responsibilities.	Principle 6 have been applied • No exceptions to declare.	The Board delegates specific responsibilities to four committees, each operating under approved terms of reference. The Board retains overall accountability for all delegated matters. An independent non-executive director chairs each committee. All committees report formally to the Board and have fulfilled their responsibilities in accordance with their terms of reference for FY2026.
		Audit and Risk Committee • Composition: Joe Mthimunye (Chairperson), Alupheli Sithebe, Anuschka Coovadia, and Happy Masondo — all independent non-executive directors. The CEO and CFO attend by invitation. • Meetings: 4 meetings held during FY2026; attendance was 4/4 for all member directors. • Key responsibilities: financial reporting oversight; internal control review; external audit oversight; risk management; compliance monitoring; whistleblower protection; financial governance; combined assurance oversight. • External Auditor: Forvis Mazars. The Committee is satisfied that Forvis Mazars is independent of the Group and that it delivered the required level of audit quality. An unmodified audit opinion was issued on the Annual Financial Statements. • Significant financial statement matters: X, bigly labs investment costs and returns, investment in Dis-Chem Life, non-recurring costs, and budget deviation. • Internal Audit: The Committee is satisfied that PWC is has delivered the required level of internal audit quality. • Internal Financial Controls: The Committee reviewed reports on key control themes, including financial controls, cybersecurity maturity, data privacy, AI risk management, supply chain resilience, and pharmacy dispensing accuracy. The Board is satisfied that no material breakdowns in internal controls occurred during FY2026. • CFO Effectiveness: The CFO was commended by the Board on the outcome of the audit and the financial statement process. • Combined Assurance: The Committee oversees the combined assurance model (see Principle 11). A combined assurance map is maintained and reviewed annually. The Committee is satisfied that the model is adequate and effective.
		Remuneration Committee • Composition: Joe Mthimunye (Chairperson), Larry Nestadt, Katlego Kobue, Happy Masondo. The Committee comprises entirely non-executive directors, 75% of whom are independent. • Meetings: 3 meetings held during FY2026; three members were present at all three meetings, Katlego Kobue attended 2/3 meetings. • Key responsibilities: executive compensation review; performance evaluation; incentive programme design; governance and compliance; stakeholder

		communication; risk management relating to remuneration.
		Nominations Committee • Composition: Larry Nestadt (Chairperson), Joe Mthimunye, Katlego Kobue, Happy Masondo. • Meetings: 3 meetings held during FY2026; three members were present at all three meetings, Katlego Kobue attended 2/3 meetings. • Key responsibilities: board composition assessment; candidate identification; nomination and appointment process; succession planning; director evaluation; diversity and inclusion; shareholder engagement on nominations.
		Social and Ethics Committee • Composition: Alupheli Sithebe (Chairperson), Anuschka Coovadia and Happy Masondo. The Committee consists of all independent non-executive members, in line with King V requirements. • Meetings: 3 meetings held during FY2026; attendance 3/3 for all members. • Key responsibilities: social responsibility; ethical conduct oversight; stakeholder engagement; employee welfare; environmental impact; compliance; sustainability reporting.

Principle	Exception Declaration	Narrative
Principle 7		
The governing body ensures that the appointment of, and delegation to, management result in operational effectiveness and clarity regarding authority and responsibilities.	• All recommended practices in relation to Principle 7 have been applied • No exceptions to declare.	**CEO — Conditions of Employment** • Notice period: Rui Morais (CEO) - 9 months' notice required. • CFO: Julia Pope - 6 months' notice required. • Restraint of trade: 6 months applies to executive directors. • Termination conditions: on a 'no fault' termination (retrenchment, retirement, restructuring, disability, or death), guaranteed remuneration is paid over the notice period or as a lump sum. STI is paid pro-rated for the period served. LTI awards vest in full on the termination date.
		CEO Succession Planning The Nominations Committee oversees succession planning for the CEO and other key executive positions. The Board is satisfied that appropriate succession plans are in place for the CEO role and key executive positions. The orderly transition from Ivan Saltzman (co-founder and executive director for 48 years) to Rui Morais (CEO since July 2023) demonstrates the effectiveness of the Board's succession governance.
		Delegation of Authority A formal delegation-of-authority framework defines levels of authority, segregation of duties, and approval processes across the financial, operational, clinical, procurement, and IT domains. The Board is satisfied that the framework contributes to role clarity and the effective exercise of authority and responsibilities throughout the organisation.

		Company Secretary Nikki Lumley serves as Group Company Secretary. She provides independent guidance to the Board and its committees on corporate governance, regulatory compliance, Board procedures, and JSE Listings Requirements. She maintains an arm's-length relationship with the Board while reporting administratively to the CEO. The Board is satisfied that the Company Secretary has the necessary competence, qualifications, and experience to fulfil her duties effectively.

Principle	Exception Declaration	Narrative
Principle 8		
The governing body governs risk and compliance to enable the organisation to expand its opportunities and set and achieve its strategic objectives.	• All recommended practices in relation to Principle 8 have been applied • No exceptions to declare.	**Governance Structures for Risk and Compliance** The Board retains ultimate accountability for risk governance and compliance oversight. Day-to-day implementation is delegated to the Audit and Risk Committee, supported by the Enterprise Risk Management function, Group Compliance and Legal, and the internal audit function. The Board annually approves the Group's risk appetite and tolerance levels. Dis-Chem's risk governance framework aligns with the principles of integrated thinking and the COSO framework. Risk governance is embedded throughout the organisation and is not treated as a standalone compliance exercise.
		Key Areas of Focus — FY2026 • Macroeconomic and consumer-spending pressures and their impact on demand patterns and discretionary spending. • Regulatory and healthcare policy developments, including the National Health Insurance Act and Single Exit Price adjustments. • Supply chain resilience, inventory management, and distribution infrastructure. • Cybersecurity threats, data privacy (POPIA), and information security, particularly in the context of increased digital engagement and AI-enabled systems through X, bigly labs. • Operational execution risks associated with the R330 million ecosystem investment (X, bigly labs) and the new store rollout. • Energy supply and infrastructure-related challenges; ongoing deployment of solar infrastructure to reduce grid dependence. • Talent retention, succession planning, and organisational culture.
		Risk Identification, Assessment, and Monitoring Risks are identified through top-down strategic reviews and bottom-up operational assessments. Key risks are recorded in the Group risk register and regularly reviewed by management and the Audit and Risk Committee. An annual combined assurance map identifies assurance gaps or overlaps. Emerging risks, including AI governance, NHI policy, and evolving cybersecurity threats, receive focused attention.

		Compliance — Material Regulatory Breaches The Group is not subject to any material or repeated regulatory penalties, sanctions, or fines for contraventions of statutory obligations during the year ended 28 February 2026. No legally reportable findings of non-compliance with environmental laws or criminal sanctions for environmental non-compliance are reported for the year under review.
		Future Focus (FY2027) • Continued maturation of AI governance and technology risk management in line with King V Principle 9 requirements. • Enhanced scenario-based risk assessment covering NHI policy outcomes. • Strengthened assurance processes for third-party and supply chain risks.

Principle	Exception Declaration	Narrative
Principle 9		
The governing body governs information and its deployment through technologies to enable the organisation to expand its opportunities and set and achieve its strategic objectives.	• All recommended practices in relation to Principle 9 have been applied • No exceptions to declare.	**Governance Structures — Technology and Information** The Board retains ultimate accountability for technology and information governance. Day-to-day implementation and monitoring are delegated to the Audit and Risk Committee, with support from the Enterprise Data Governance Council. The Council, chaired by the Head of Data, Analytics and AI, includes representation from business, clinical, privacy, legal, risk, compliance, and technology functions. It meets quarterly. During FY2026, the Board approved the Group's comprehensive Data and AI Governance Policy, which establishes an enterprise-wide framework that integrates data and AI governance across the full data and model lifecycle.
		Core Policy Principles (aligned with King V, POPIA, and the EU AI Act) • Lawfulness, fairness, and ethical use: with explicit focus on mitigating bias, particularly relating to race, gender, and health-status inferences. • Human accountability and oversight: no AI system may replace accountable human judgment in high-impact areas such as clinical decision support, prescription and dispensing processes, insurance underwriting, or adverse customer actions. • Risk-based classification of AI use cases (low, medium, high risk) with proportionate controls, mandatory registration, privacy impact assessments, bias testing, and ongoing post-deployment monitoring. • Privacy, security, and resilience: including robust controls over personal information, health records, and loyalty data. • Transparency and explainability: particularly where AI outputs influence customer experience, pricing, or access to services.

		• Prohibition on public generative AI tools processing sensitive Dis-Chem, customer, or patient data unless expressly approved and contractually safeguarded.
		Key Areas of Focus — FY2026 • Significant improvements in digital platform performance and stability; reduced system latency and enhanced reliability. • Enhanced data visibility and monitoring capabilities, enabling proactive issue resolution. • Strengthened cybersecurity and system resilience through the resolution of identified vulnerabilities. • Development of the reimagined Dis-Chem mobile app (scheduled for FY2027 launch) and expanded e-commerce capabilities. • X, bigly labs investment of R330 million, establishing a dedicated digital and data innovation capability. • Better Rewards programme launch, leveraging customer data for personalised engagement while maintaining strict data governance standards.
		Compliance and Assurance The Group remains fully compliant with POPIA and other applicable legislation. Independent assurance on the effectiveness of technology and information controls is obtained through internal audit, external penetration testing, and annual maturity assessments. No material technology or information governance incidents occurred during the year ended 28 February 2026.
		Future Focus (FY2027) • Continued evolution of the Data and AI Governance Policy in response to the forthcoming South African National AI Policy Framework. • Launch of the new Dis-Chem app and scaling of e-commerce capabilities. • Progressive commercialisation of X, bigly labs' analytics and AI platforms.

Principle	Exception Declaration	Narrative
Principle 10		
The governing body ensures that the organisation remunerates fairly, responsibly and transparently to promote sustainable value creation within its economic, social and environmental context.	• All recommended practices in relation to Principle 10 have been applied, subject to the following:	**Key Decisions — FY2026** • Review and enhancement of the Long-Term Incentive (LTI) plan, utilising the existing forfeitable share plan to better align executive interests with sustainable shareholder value creation over a three-year performance period. • Development of a comprehensive Total Rewards Philosophy and consolidated remuneration policy, providing a clear and consistent framework for how employees are rewarded. • Implementation of a Cost-to-Company (CTC) flexible benefits structure, enabling employees to tailor their reward mix to individual needs and life stages. • Annual CTC review: average increase of 5.5%, informed by inflation, mandated minimum wages, and affordability. Differentiated outcomes reflect

		performance ratings. Executive increases were lower than the average for employees. • Enhancement of STI and LTI frameworks to incorporate ESG-linked performance metrics. • Refresh of the malus and clawback policy to ensure consistent application. • Pay equity analysis conducted with Deloitte Consulting, evaluating pay equity at the macro and micro levels; ongoing actions to address identified issues. • All eligible permanent employees received an STI bonus or 13th cheque, totalling R470 million in aggregate.
		Fair and Responsible Remuneration The Paterson job grading system is used to evaluate and grade roles (bands A–F). Remuneration for band A and B (retail/wholesale) employees is set 6–8% above the legislated sectoral determination minimum wage. Benchmarking is conducted against defined external comparator groups. The Group has embarked on a formal pay equity journey with Deloitte Consulting, aligned with Companies Act disclosure requirements.
		Performance Measures — STI (Annual) Executive STI is linked 100% to company performance: 70% financial metrics and 30% non-financial/ESG metrics. Key financial metrics include revenue growth, profit, cost containment, and working capital. Non-financial metrics include Better Health outcomes, B-BBEE scores, and ESG indicators. STI ranges from 1 month's pensionable salary to 3 months' for head office employees and up to 12 months' salary for operational employees (excluding executives).
		Performance Measures — LTI (Three-Year) The revised LTI plan covers Band E and F employees (and selected Band D), with awards expressed as a percentage of pensionable salary. LTI targets cover a three-year performance period (FY2026–FY2029). Key metrics for Band E and F include: • HEPS growth: 35% weighting; target 15% average over the vesting period. • Return on Equity (ROE): 35% weighting; target 19.6% at the end of the three years. • ESG metrics (7.5% weighting): Scope 2 emissions reduction of 3%, electricity consumption reduction 3%, lost workday injuries reduction 5%, fatalities 0, product quality 0 recalls, data breaches 0, ethical conduct 0 reportable incidents, and dispensing error rate <0.0025. • Culture metrics (15% weighting): Increase in behavioural drivers, Culture Formula Index improvement. • B-BBEE metrics (7.5% weighting): B-BBEE score level 3, equity target 27.5%, gender target 45%

LTI Award Levels

- CEO: 90% of pensionable salary.
- CFO: 80% of pensionable salary.
- E Upper: 50%; E Lower: 40%; D Upper: 30%; D Lower: 25%.

Remuneration Consultants

The Committee used Deloitte as the external remuneration consultants for FY2026 and is satisfied that Deloitte is independent of the Group.

Shareholder Advisory Votes — FY2025 AGM (held 31 July 2025)

Voting outcomes from the AGM held on 31 July 2025 were consistent and favourable against the prior year. Shareholder concerns raised related to: (1) Transformation and Employment Equity — addressed through STI scorecard targets; (2) STI/LTI metric distinction — addressed through the redesigned LTI framework decoupled from STI metrics; (3) Employee Value Proposition disclosure — addressed in the remuneration report.

	For	Against	Abstain	Shares Voted
Non-binding advisory vote: Remuneration philosophy and policy	79.81%	20.19%	0.01%	88.97%
Non-binding advisory vote: Implementation report	87.73%	12.27%	0.01%	88.97%

FY2026 AGM

The FY2026 remuneration policy and implementation report will be subject to an ordinary resolution vote by simple majority shareholders at the AGM on 31 July 2026. Shareholders are requested to cast votes on both Part 2 (remuneration policy) and Part 3 (implementation report) of the remuneration report.

	For	Against	Abstain	Shares Voted
Non-binding advisory vote: Remuneration philosophy and policy	88.33%	11.67%	0.00%	92.29%
Non-binding advisory vote: Implementation report	84.88%	15.12%	12.93%	91.26%

Executive Remuneration

The Remuneration Committee determines the appropriate remuneration for Executives and Prescribed Officers. The pay mix for Executives was updated in FY26, as part of the LTI review and aligns with typical market practice for similar

roles. As an overarching principle, executive remuneration is structured to ensure alignment with the creation of shareholder

value and the strategic objectives of the company with a greater emphasis on variable performance-linked pay.

Remuneration Committee Satisfaction

		The Remuneration Committee, chaired by Joe Mthimunye, is satisfied that the remuneration policy was complied with and that there were no substantial deviations from the policy during FY2026. The Committee is confident that the report provides an accurate and comprehensive explanation of remuneration factors and decisions.

Principle	Exception Declaration	Narrative
Principle 11		
The governing body ensures that assurance services and functions enable an effective control environment and safeguard the integrity of information used for decision making and disclosure by the organisation.	• All recommended practices in relation to Principle 11 have been applied. • No exceptions to declare	**Combined Assurance Model** Dis-Chem applies a mature combined assurance model structured around the Three Lines of Defence framework, coordinated by the Audit and Risk Committee. • First Line: Operational Management: Business unit and functional leaders own and manage risks and controls on a day-to-day basis across stores, pharmacies, clinics, distribution centres, digital platforms, and support functions, including first-line monitoring of AI systems and data quality. • Second Line: Oversight Functions: Independent oversight by Group Risk Management and Compliance, Privacy, Legal and Regulatory Affairs, Finance and Treasury, Health Safety and Clinical Governance, Data Analytics and AI Governance, and Information Security. These functions develop policy, set standards, and perform monitoring. • Third Line: Independent Assurance: Internal Audit (reporting functionally to the ARC) provides independent, risk-based assurance; FY2026 Internal Audit plan included focused reviews of Better Rewards, data governance, AI use cases, cybersecurity, pharmacy operations, and financial reporting controls. Forvis Mazars provides external audit assurance (an unmodified opinion is issued). Other specialist assurance providers cover POPIA compliance, ISO 27001 information security, PCI-DSS, B-BBEE verification, and clinical quality audits.
		Effectiveness The Audit and Risk Committee is satisfied that the combined assurance model is adequate and effective for the year ended 28 February 2026. No material breakdowns in internal controls were identified that could materially impact the Group's reported results or stakeholder interests. The Group will continue to strengthen its assurance arrangements as it scales digital, data, and AI capabilities.
		Internal Control Environment The internal control framework is based on COSO principles and is embedded throughout the organisation. The Board is satisfied that the internal control environment operated effectively throughout the year under review.

Principle	Exception Declaration	Narrative
Principle 12		
The governing body, acting in the organisation's best interests over time, adopts a stakeholder-	• All recommended practices in relation to Principle 12 have been applied.	**Governance Framework for Stakeholder Relationships** The Board assumes ultimate accountability for stakeholder relationship governance. The Social and Ethics Committee plays a key role in monitoring the Group's engagement with

inclusive approach that considers stakeholders' material interests.	• No exceptions to declare	employees, customers, suppliers, regulators, and communities. The Audit and Risk Committee oversees stakeholder-related risks, including regulatory compliance, data protection, and supply chain resilience. Stakeholder prioritisation is reviewed annually as part of the Group's materiality assessment and risk review processes.
		Key Stakeholder Groups • Customers and patients: engagement through the Better Rewards programme, clinic services, digital platforms, and the Dis-Chem MyHealth and Dis-Chem Life ecosystem offerings. • Employees and healthcare professionals: engagement through the Culture Programme, employee assistance programme (Kaelo/ASK Nelson), training and bursary initiatives, and the Cost-to-Company flexible benefits structure. • Shareholders and investors: engagement through results presentations, SENS announcements, one-on-one meetings, roadshows, and the Annual General Meeting (31 July 2026). • Suppliers and service providers: engagement through supplier due diligence processes, sustainability criteria in procurement, and collaborative promotional partnerships (Better Rewards). • Regulators and industry bodies: continuous monitoring of regulatory developments, including the National Health Insurance Act, Medicines and Related Substances Act, SAPC requirements, JSE and POPIA. • Communities and public-interest stakeholders: through CSI initiatives focused on nutrition security, women's health, youth development, and community health screenings.
		Key Areas of Focus — FY2026 • Launch of Better Rewards, generating significant customer engagement with 9.6% revenue growth among participating brands and 18.7% volume growth in the first 17 weeks. • Strengthened supplier engagement on ethical sourcing and sustainability expectations. • Investor Relations: transparent communication through comprehensive results presentations and the publication of this IAR, including the King V Disclosure Framework. • Enhanced digital stakeholder engagement through expanded digital touchpoints, chat and messaging platforms, and improved fulfilment capabilities.
		Integration with Strategy and Risk Stakeholder insights are formally integrated into Dis-Chem's strategic planning, risk identification, and the determination of material matters processes. Outcomes from stakeholder engagement inform strategic priorities (including Better Rewards expansion and healthcare ecosystem development), risk identification and mitigation, and the material matters disclosed in this IAR.
		Group Governance Framework — Group Companies

		Dis-Chem's governance framework extends across its controlled subsidiaries, including CJ Distribution (wholesale operations), The Local Choice franchise network, Dis-Chem MyHealth, and Dis-Chem Life. The Board maintains ultimate accountability for governance outcomes across the Group. Subsidiary governance structures are aligned with Group policies and standards.
		Ongoing Focus (FY2027) • Enhancing data-driven stakeholder insight capabilities through X, bigly labs' analytics platforms. • Strengthening engagement processes across the healthcare ecosystem as Better Rewards, Dis-Chem MyHealth, and Dis-Chem Life mature. • Improving transparency and responsiveness as stakeholder expectations continue to evolve.

Conclusion: The Board has considered the application of the King V principles and the implementation of the recommended practices during the reporting period. Based on this assessment, the Board is satisfied that the Company's governance framework, practices and oversight have supported the achievement of the four governance outcomes envisaged by King V within Dis-Chem's economic, social and environmental context.