2020 CORPORATE GOVERNANCE REPORT

Lewis Group Ltd

CORPORATE GOVERNANCE REPORT

The Group is committed to achieving key governance outcomes, including fostering an ethical culture, delivering strong performance and sustainable value creation, ensuring effective conformance and prudent control, as well as maintaining legitimacy, through the application of the principles set out in the King IV Report on Corporate Governance for South Africa, 2016™ (King IV™)

The board confirms that the Group has, in all material respects, applied King IV™ during the reporting period.

*A report on the Group's application of the principles is presented on the website at **https://www.lewisgroup.co.za/ governance/king-iv/.***

The King V Report on Corporate Governance for South Africa, 2025™ (King V™) was published during the past year. King V™ is effective for company financial years commencing on or after 1 January 2026 and accordingly the Group has continued to apply the principles of King IV™ during the period under review.

The Group will apply King V™ from the 2027 financial year and has commenced the process of aligning governance practices with the requirements of the new code.

NAME	STATUS	APPOINTMENT DATE
NON-EXECUTIVE DIRECTORS		
Hilton Saven	Independent non-executive director (Chairperson)	22 June 2004
Prof. Fatima Abrahams	Lead independent non-executive director	1 September 2005
Adheera Bodasing	Independent non-executive director	1 June 2017
Brendan Deegan	Independent non-executive director	15 August 2022
Daphne Motsepe	Independent non-executive director	1 June 2017
Tapiwa Njikizana	Independent non-executive director	19 August 2019
Mholi Shandu	Independent non-executive director	1 April 2026
EXECUTIVE DIRECTORS		
Johan Enslin	Chief executive officer	1 October 2009
Jacques Bestbier	Chief financial officer	1 April 2018

Key responsibilities

The board is governed in terms of a charter that sets out its key roles and responsibilities, which include:

- Reviewing and approving the Group's strategy, as developed by management
- Considering and reviewing policies and plans that give effect to the strategy
- Providing oversight of performance against targets and objectives
- Providing effective leadership based on an ethical foundation
- Overseeing key performance and risk areas
- Ensuring effective risk management and internal control
- Overseeing information technology (IT) governance
- Overseeing legislative, regulatory and governance compliance
- Ensuring the Group has appropriate remuneration policies and practices
- Overseeing relationships with stakeholders along sound governance principles
- Ensuring that the Group is a responsible corporate citizen
- Ensuring accountability to stakeholders

Board composition

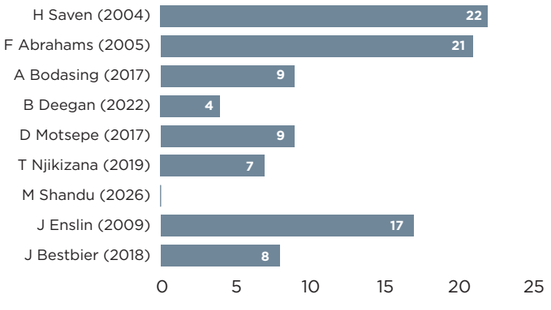
The board consists of seven independent non-executive directors and two executive directors.

The board is satisfied that it has a diverse mix of knowledge, skills, industry experience, background, gender, culture and race to promote effective decision-making, and objectively discharge its governance responsibilities.

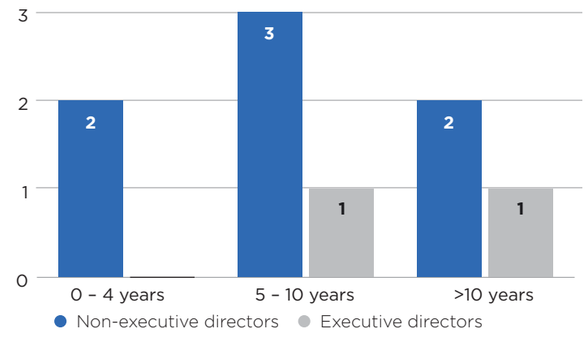
There is a clear distinction between the roles of the chairperson and the chief executive officer.

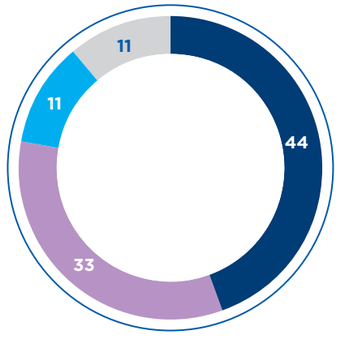
Hilton Saven, an independent non-executive director, is the chairperson of the board. The implementation of the strategy and the ongoing management of the business is delegated to Johan Enslin, the chief executive officer.

DIRECTOR TENURE (Years)



DIRECTOR





BOARD DIVERSITY (%)

- White South African male
- Black South African female
- Black South African male
- Non-South African

The age, tenure, experience and expertise of board members is set out in the Board of Directors' Report on pages 38 to 39 of the Integrated Annual Report.

Board of directors

There were no changes in the composition of the board during the financial year. An additional independent non-executive director, Mholi Shandu, was appointed to the board with effect from 1 April 2026.

Directors appointed during the year are required to have their appointment ratified at the following AGM. The chairperson is elected every second year by the board. Hilton Saven was unanimously re-elected as the chairperson of the board in November 2024.

Directors do not have a fixed term of appointment and are subject to retirement by rotation and re-election by shareholders at the AGM at least every three years. Directors are required to retire at the next AGM after they turn 70, unless the board decides, at its discretion, that a director may continue to hold office.

Executive directors are subject to 12-to 24-month notice periods.

Independence of directors

Directors are required to annually evaluate their independence and declare their interests in other entities. They are further required to declare any conflict of interest in relation to matters on the agenda at board meetings. The nominations committee reviews the independence of the non-executive directors when reviewing the composition of the board.

The board was satisfied that all directors exercise independent judgement and act in an independent manner.

Board diversity

The board is diverse in terms of gender, race, culture, business acumen and tenure, with an appropriate mix of knowledge, skills, age, experience and independence.

The board's diversity policy considers and promotes areas for enhancing broader diversity such as gender, race, culture, age, field of knowledge, skills and experience when vacancies arise.

In 2026, the board retained the voluntary targets of 30% for female representation and racial diversity.

Currently, 33.3% of board members are female and 44.4% are black in terms of the Broad-based Black Economic Empowerment (B-BBEE) Act. Independent non-executive director, Tapiwa Njikizana, is Zimbabwean by birth and is not included in the classification of black directors for purposes of the B-BBEE Act calculation.

Board evaluation and fit and proper assessment

All directors participate in the annual evaluation of the board's performance. The questionnaire-based evaluation covers the board's role and agenda setting; the size, independence and composition of the board; director orientation and development; board meetings; board committees; board accountability and governance practices.

The process also includes an assessment of the performance of the chairperson and chairpersons of board committees, chief executive officer and the company secretary as well as the individual directors.

In accordance with the JSE Listings Requirements, newly appointed directors as well as directors standing for re-election for the first time, are subject to a fit and proper assessment. In addition, directors confirm in the annual board evaluation process that they remain fit and proper to hold office, and are assessed by the board, based on their individual disclosures and the outcome of the board evaluation process.

In addition, the chairperson of the board meets individually with each director where necessary.

The 2026 board evaluation concluded that the board was satisfied with its overall functioning and governance and that all board members are fit and proper to hold office.

Chief financial officer and finance function evaluation

The audit committee conducted a formal evaluation of the appropriateness of the expertise of the chief financial officer, adequacy of the resources in the finance function, and the experience of senior members of management responsible for the financial function.

The committee was satisfied that the expertise and experience of the chief financial officer are appropriate and that the finance function is sufficiently resourced to meet the required responsibilities of the position.

Company secretary

Marisha Gibbons is the Group company secretary. The company secretary acts as adviser to the board and plays a pivotal role in ensuring compliance with regulations, the induction of new directors, providing advice to directors on governance, compliance and their fiduciary responsibilities, and is responsible for liaising with the JSE and the Companies and Intellectual Property Commission.

The company secretary acts as secretary for all board committees.

Directors have unrestricted access to the advice and services of the company secretary. They are entitled to seek independent professional advice at the Company's expense after consultation with the chairperson of the board. No directors exercised this right during the year.

Having conducted a formal evaluation of the company secretary, the board was satisfied that she possesses the requisite competence, qualifications and experience required to perform the role in terms of section 88 of the Companies Act.

The board is satisfied that it has an arm's-length relationship with the company secretary and confirms that the company secretary is independent, is not a director of any of the Group companies and is not related to any of the directors.

Governance structure

The board of directors delegated specific responsibilities to five board committees, the executive directors and executive committee of the main operating company, Lewis Stores (Pty) Ltd (Lewis Stores).

Board committees are all chaired by independent non-executive directors. Each committee is governed by its terms of reference which outlines its composition, authority and responsibilities, and functions according to a year plan. Committee members annually confirm that the committee functioned in accordance with its respective terms of reference.

Board meetings

2026 meeting attendance

	B	AC	RC	REM	NOM	SET
Number of meetings	4	5	4	2	2	2
Non-executive directors						
Hilton Saven	4⁺	5*	4	2	2⁺	2
Fatima Abrahams	3	4*	3	1⁺	1	1⁺
Adheera Bodasing	4	5*	4	2	2	–
Brendan Deegan	4	5	4	2	2	–
Daphne Motsepe	4	5⁺	4⁺	2	2	2
Tapiwa Njikizana	4	5	4	2	2	–
Executive directors						
Johan Enslin	4	5*	4	2*	2*	2
Jacques Bestbier	4	5*	4	–	–	–

⁺ *Chairperson*
* *Attends by invitation*

COMMITTEE KEY

B BOARD AC AUDIT RC RISK REM REMUNERATION
NOM NOMINATIONS SET SOCIAL, ETHICS AND TRANSFORMATION

AUDIT COMMITTEE

MEMBERS

Daphne Motsepe (Chairperson)

Brendan Deegan

Tapiwa Njikizana

Committee members are independent non-executive directors who are financially literate and suitably qualified to perform their role. The remaining non-executive directors attend committee meetings by invitation. Meetings are also attended by the chief executive officer, chief financial officer, internal audit executive, chief risk officer and the external auditors. The committee met five times during the year.

KEY RESPONSIBILITIES

The audit committee is a statutory committee which carries out its duties in accordance with the Companies Act.

The committee provides independent oversight in relation to external audit, internal audit and the finance function. It further assists the board in overseeing the integrity of the annual financial statements.

KEY FOCUS AREAS

The key focus areas during the period under review were in line with the committee's charter and included:

- Approving the internal audit plan and overseeing the work of internal audit
- Reviewing the audit plan of the external auditors and approving non-audit services
- Assessing the independence and objectivity of the external auditors
- Overseeing regulatory compliance
- Overseeing the integrated reporting process
- Reviewing the expertise, resources and experience of the Company's financial function and financial director
- Assessing the effectiveness of internal financial controls based on assurance gained from management and written assessment from the internal audit
- Reviewing the decision-making framework

The key focus areas are unchanged for the forthcoming year.

Refer to the Audit Committee Report in the Audited Annual Financial Statements for more detail on pages 5 to 8.

RISK COMMITTEE

MEMBERS

Daphne Motsepe (Chairperson)

Prof. Fatima Abrahams

Jacques Bestbier (Chief financial officer)

Adheera Bodasing

Brendan Deegan

Johan Enslin (Chief executive officer)

Tapiwa Njikizana

Hilton Saven

Mholi Shandu (appointed 1 April 2026)

The committee consists of seven independent non-executive directors and two executive directors. The risk committee met four times during the year.

Meetings are also attended by the internal audit executive, chief risk officer and the IT general manager.

KEY RESPONSIBILITIES

Risk governance is overseen by the risk committee.

The committee reviews the risk profile of the Group on a quarterly basis to ensure that the relevant risks are reflected on the risk profile.

The material risks and action plans are disclosed on pages 14 to 16 of the Integrated Annual Report.

KEY FOCUS AREAS

The key focus areas during the period under review were in line with the committee's charter and year plan, and included:

- Reviewing the Company risk profile which includes a review of the following:
  - Risk registers
  - Emerging risk register
  - Compliance risk
  - Risk appetite and tolerance levels
  - Cyber security risk
- Monitoring the implementation of the risk management policy and plan
- Assessing the effectiveness of the system and process of risk management based on assurance gained from management and written assessment from the internal audit on the effectiveness of internal controls and risk management
- Approval of the combined assurance plan
- Reviewing and advising on the adequacy of insurance cover for recommendation to the board
- Overseeing IT governance and the function of the IT steering committee by:
  - Ensuring that an IT charter and policies are established and implemented
  - Ensuring that an IT internal control framework is adopted and implemented
  - Receiving independent assurance on the effectiveness of the IT internal controls
- Oversight of IT systems development enabling the business to continue to function effectively, inclusive of cyber security
- Overseeing the implementation of the compliance policy and plan and the effective execution of compliance management
- Continuously enhance the business continuity plan and disaster recovery plan
- Ensuring directors receive regular briefings on changes in risks, laws and the environment in which the Group operates
- Monitoring compliance with legislation

The key focus areas are unchanged for the forthcoming year.

REMUNERATION COMMITTEE

MEMBERS

Prof. Fatima Abrahams (Chairperson)
Adheera Bodasing
Brendan Deegan
Daphne Motsepe
Tapiwa Njikizana
Hilton Saven
Mholi Shandu (appointed 1 April 2026)

The committee consists of seven independent non-executive directors. The chief executive officer attends meetings at the invitation of the committee.

The remuneration committee met twice during the year.

KEY RESPONSIBILITIES

The committee is tasked with ensuring that a policy is in place which is in line with the Group's performance-orientated culture and which fairly rewards staff for their contribution in achieving the Group's strategic, financial and operational objectives.

KEY FOCUS AREAS

The key focus areas during the period under review were in line with the committee's charter and year plan, and included:

- Reviewing the Remuneration Policy and Implementation Report
- Reviewing and approving compensation of executive directors, and senior executives
- Recommending non-executive directors' fees for shareholder approval
- Ensuring executive directors are fairly rewarded based on market trends, surveys, individual performance and contributions
- Reviewing share incentive schemes to ensure continued alignment to the enhancement of shareholder value
- Approving the award of share incentives
- Ensuring employee benefits are suitably disclosed
- Ensuring practices are compliant with relevant legislation and regulation

The key focus areas are unchanged for the forthcoming year.

NOMINATIONS COMMITTEE

MEMBERS

Hilton Saven (Chairperson)
Prof. Fatima Abrahams
Adheera Bodasing
Brendan Deegan
Daphne Motsepe
Tapiwa Njikizana
Mholi Shandu (appointed 1 April 2026)

The committee consists of seven independent non-executive directors. The chief executive officer attends meetings at the invitation of the committee. The committee met twice during the year.

KEY RESPONSIBILITIES

The committee is tasked with:

- Establishing a formal process for the appointment of directors
- Overseeing a formal induction programme for new directors and continuing development programmes for all directors
- Ensuring succession plans are developed for the board, board committees, the chief executive officer and senior management
- Confirming annually that none of the directors have become disqualified (fit and proper test)
- Ensuring the board has the required skills, experience and qualities

KEY FOCUS AREAS

The key focus areas during the period under review were in line with the committee's charter and year plan, and included:

- Reviewing the composition of the Lewis and Monarch boards
- Reviewing the skills and experience of board members
- Overseeing the board evaluation process
- Ensuring that succession planning is in place for directors and senior management and confirming that to the board

The key focus areas are unchanged for the forthcoming year.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

MEMBERS

Prof. Fatima Abrahams (Chairperson)
Johan Enslin (Chief executive officer)
Daphne Motsepe
Hilton Saven

The committee consists of three independent non-executive directors and one executive director. Meetings are also attended by the human resources director as well as the senior managers responsible for socio-economic development and finance. The social, ethics and transformation committee met twice during the year.

KEY RESPONSIBILITIES

The committee, in addition to its statutory duties, oversees that the Group's values, strategy and conduct are those of a responsible corporate citizen.

KEY FOCUS AREAS

The key focus areas during the period under review were in line with the committee's charter and year plan, and included:

- Monitoring the application of the code of ethics, including values and ethics awareness
- Monitoring customer relationships and compliance with consumer laws
- Overseeing environmental, social and governance reporting
- Overseeing the preparation of the new five-year employment equity plan with targets for 2030, in compliance with the Department of Employment and Labour
- Monitoring skills development through learning and development initiatives and leadership programmes
- Supporting learnerships for disabled unemployed learners
- Supporting learnerships for junior IT software developers
- Monitoring initiatives aimed at improving retention rates of branch managers and regional controllers
- Supporting enterprise and supplier development partners
- Monitoring continued support for socio-economic development programmes
- Recommending key policies for board approval including the environmental policy and stakeholder engagement policy

These key focus areas will remain priorities for the committee in the 2027 financial year. In addition, should the implementation of IFRS S1 and IFRS S2 become mandatory in the upcoming financial year, the committee will oversee management's preparation and planning for adoption thereof.

*See Social, Ethics and Transformation Committee Report for more information on **www.lewisgroup.co.za/investors/integrated-annual-reports/.***

Lewis Stores

Lewis Stores is the main trading subsidiary of the Group and operational responsibility has been delegated to Lewis Stores' board for the ongoing management of the business.

LEWIS STORES BOARD

MEMBERS
Johan Enslin (Chief executive officer and chairperson)
Waleed Achmat (Human resources director)
Jacques Bestbier (Chief financial officer)
Rinus Oliphant (Operations director)

The board consists of four executive directors. Meetings are also attended by the 21 executive committee members.

The board met three times during the year.

KEY RESPONSIBILITIES

- Adopting strategic plans
- Providing strategic direction to senior management
- Monitoring operational performance and management
- Ensuring integrity of financial statements, accounting records and all related information
- Accountability and effective utilisation of assets
- Monitoring key performance indicators of the business
- Ensuring regulatory and legislative compliance
- Risk management
- Overseeing the corporate code of conduct

Governance committees of Lewis Stores

Risk working group (RWG)

The RWG comprises the chief executive officer, chief financial officer, the chief risk officer and all relevant executives and senior management of the Group.

The RWG meets quarterly and reports to the Lewis Stores board as well as to the Lewis Group risk committee and Monarch Insurance Company Limited's (Monarch) audit and risk committee.

Refer to page 66 of the Integrated Annual Report for their responsibilities, which are supervised by the Lewis Group risk committee.

Information technology steering committee

The steering committee meets three times a year and comprises the chief executive officer, chief financial officer, IT general manager, chief risk officer as well as business systems and IT operations managers. The committee reports into the risk committee.

The committee is responsible for:

- Ensuring that the implementation of the IT policy and plan conforms to the objectives of the IT charter
- Aligning IT with the Group's business needs
- Assessing investment decisions relating to IT resources and services
- Identifying and exploiting IT opportunities
- Prioritising administrative and contractual decisions that have a significant impact on the Group
- Monitoring IT costs and capital expenditure
- Monitoring, prioritising and co-ordinating the IT project portfolio
- Implementing and ensuring business continuity planning
- Overseeing the IT control framework and information security management
- Reporting to the risk committee on the performance of its duties

Social and ethics working group

The social and ethics working group (working group) is a sub-committee of the Lewis Group social, ethics and transformation committee, with the membership comprising the human resources director, chief financial officer, operations director, human resources manager, chief risk officer and company secretary. Senior members of the internal audit department attend by invitation. The working group reports to the chief executive officer.

The working group supports the social, ethics and transformation committee in meeting its responsibilities by monitoring the Group's activities with a specific focus on operational best practices, risk mitigation and ethical compliance throughout the Group.

The working group meets twice a year and supports the social, ethics and transformation committee by:

- Monitoring the Group's activities in terms of legislation, regulation or codes of best practice relating to ethical practices, whistleblowing, and environmental issues
- Monitoring the Group's B-BBEE programme in terms of the:
  - approved transformation strategy
  - approved B-BBEE targets in terms of the Codes of Good Practice of the Department of Trade, Industry and Competition
  - reviewing B-BBEE scorecards from the verification agency; and
  - evaluating the Group's performance against approved targets
- Ensuring an ethical working environment by monitoring attendance of ethics training and reviewing whistle blowing reports to identify trends relating to unethical practices and breaches
- Monitoring sustainability and climate-related impacts on the business
- Reviewing relevant Company policies, specifically relating to human resources and ethical practices

Property committee

The property committee comprises the chief executive officer, chief financial officer, operations director, human resources director, and other relevant members of management. The committee meets five times a year and reports to the chief executive officer. The committee is responsible for the approval of:

- New store openings
- Store relocations where trading patterns have changed
- Closure of non-performing stores
- Lease renewal terms for existing stores

Monarch

MONARCH BOARD

MEMBERS
Hilton Saven (Chairperson)
Prof. Fatima Abrahams
Brendan Deegan
Mholi Shandu
Robert Shaw
Morne Mostert (Monarch chief executive officer)

Monarch's board consists of four independent non-executive directors, one non-executive director and one executive director. The Lewis Group chief executive officer and chief financial officer attend meetings at the invitation of the board. Monarch's board meets four times a year.

The company secretary is also the secretary of the board.

Monarch is the Group's insurer. Knowledge and experience of short-term insurance is considered when appointing directors to the board. Robert Shaw, a non-executive director, provides insurance advisory services to Monarch.

A formal report on the investment portfolio, prepared by the external portfolio manager responsible for managing the portfolio on behalf of Monarch, is presented at each board meeting. The report covers market conditions and expectations, asset allocation, investment returns, review of the investment portfolios and recommendations on the investment strategy.

KEY RESPONSIBILITIES

Monarch's board is tasked with:

- Approving and overseeing strategic plans for the insurer within the parameters of the overall strategic direction of the Group
- Approving budgets
- Providing oversight of performance against targets and objectives
- Providing effective leadership on an ethical foundation
- Overseeing relationships with stakeholders
- Regularly reviewing underwriting criteria
- Adopting asset allocation strategies for the investment portfolio, based on recommendations from the portfolio manager
- Reviewing the performance of the investment portfolio against benchmarks
- Ensuring regulatory compliance
- Overseeing key performance and risk areas
- Ensuring effective risk management and internal control
- Assessing director selection, orientation and evaluation
- Approving significant accounting policies
- Approving the annual financial statements

MONARCH AUDIT AND RISK COMMITTEE

MEMBERS
Prof Fatima Abrahams (Chairperson)
Brendan Deegan
Mholi Shandu

The committee consists of three independent non-executive directors. The members are financially literate and suitably qualified to perform their role.

The remaining non-executive director, Monarch's chief executive officer and Lewis Group's chief executive officer and chief financial officer attend by invitation.

The committee meets four times a year and meetings are also attended by the company secretary, internal audit executive, the chief risk officer and the external auditors.

In terms of the Companies Act, non-executive director Robert Shaw is deemed to be a material supplier to Monarch and is therefore precluded from being a member of the audit and risk committee.

KEY RESPONSIBILITIES

The committee is tasked with:

- Reviewing the Group's internal and external audit plans to the extent that it is relative and applicable to Monarch
- Providing guidance on non-audit services
- Ensuring regulatory compliance for the Group with the Financial Advisory and Intermediary Services Act
- Reviewing the financial reporting system, evaluating and approving accounting policies and approving the financial statements
- Reviewing the adequacy of internal controls and internal financial controls
- Annually reviewing the risk register of strategic and key operational risks
- Monitoring implementation of the risk management policy and plan
- Addressing risks specific to Monarch that have been identified in the Group risk management process
- Assessing the effectiveness of the system and process of risk management based on assurance gained from management and written assessment from internal audit on the effectiveness of internal controls and risk management

GOVERNANCE COMMITTEE OF MONARCH

MONARCH INVESTMENT SUB-COMMITTEE

The investment sub-committee comprises the chief executive officer of Monarch and the Group chief financial officer. The committee meets four times a year with the portfolio manager of the investment fund. The sub-committee reports to the Monarch board.

KEY RESPONSIBILITIES

The sub-committee is responsible for:

- Efficiently managing Monarch's investments
- Reviewing the investment strategy and making recommendations to Monarch's board
- Overseeing the execution of Monarch's board-approved asset allocation strategies for the investment portfolio
- Ensuring compliance with regulatory standards, and solvency and liquidity requirements
- Appointing portfolio manager/s
- Monitoring the performance of portfolio manager/s and investments
- Annually reviewing the investment policy for recommendation and approval by Monarch's board
- Monitoring conformance with the investment policy

Assurance

Risk management

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

The risk committee is responsible for ensuring that the Group implemented an effective policy and plan for risk, and that disclosure regarding risks are comprehensive, timely and relevant.

The chief risk officer is responsible for the risk management process to identify, assess and manage potential risks and opportunities that may affect Group strategies and objectives. The risk management framework includes the risk management policy, risk appetite, relevant responsibilities and the risk management plan.

The RWG is responsible for designing and implementing the risk management process and monitoring ongoing progress. Senior executives and line management within each business unit are accountable for managing risks in achieving their financial and operational objectives.

The focus of the risk management process is on strategic and key operational risks. The business units in the Group assess the risks on a quarterly basis. The RWG reviews the registers with a focus on:

- Completeness of risks identified across the Group
- Causes of risks
- The residual risk ratings
- The tolerance levels based on risk indicators
- The need for further management action

The RWG also develops the risk appetite and obtains board approval through the risk committee.

Senior executives and line management are responsible for adhering to the approved risk appetite and reporting any material deviations above the approved threshold limits.

The risks identified by the business units are consolidated by the category of risk in the Group register and the results of the Group risk assessment are reported to the Lewis Group risk committee and the Monarch audit and risk committee.

Key risks are documented in the Material Issues and Risks Report on pages 14 to 16 of the Integrated Annual Report.

The Group's external insurance and self-insurance programmes cover a wide range of risks. The insurance levels and insured events are reviewed annually to ensure adequate cover and amended after taking into account changed processes and emerging risks.

Internal control

The Group's well-established control environment incorporates risk management and internal control procedures. The internal controls provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are adequately managed.

The board confirms that during the period under review, the Group maintained an efficient and effective process to manage key risks.

External audit

Ernst & Young Inc. (EY) provided external audit services to the Company and its subsidiaries, for the financial year ended 31 March 2026, excluding Lewis Stores (Lesotho) (Pty) Ltd which is audited by Sheeran & Associates and Lewis Stores (Eswatini) (Pty) Ltd which is audited by David Walker & Company, since EY does not have a presence in Lesotho and Eswatini.

During the year, the EY engagement partner, Tina Rookledge resigned from EY. Following her resignation, Pierre du Plessis was appointed as the new engagement partner of Lewis Group with effect from 2 December 2025.

The audit committee monitors the audit process and evaluates the effectiveness of the external audit and independence of the external auditors.

The audit committee has executed its responsibilities, conducting the required assessments in terms of section 5.7(h) of the JSE Listings Requirements.

Refer to the Audit Committee Report in the Annual Financial Statements on pages 5 to 8.

Internal audit

The internal audit function provides information to assist in the establishment and maintenance of an effective system of internal control to manage the risks associated with the business. Internal audit performed a written assessment confirming the effectiveness of the Group's system of internal control and risk management, including internal financial controls.

The role of internal audit is detailed in the internal audit charter which is approved annually by the audit committee.

Refer to the Audit Committee Report in the Annual Financial Statements on pages 5 to 8.

Information technology governance

IT governance is integrated into the Group's operations, and IT governance practices and frameworks are reviewed as part of the annual internal audit plan. The IT steering committee is responsible for IT governance and reports in to the risk committee.

Legal compliance

The board is responsible for governance and compliance with applicable laws and regulations as well as any adopted non-binding rules, codes and standards.

The Group has a zero-tolerance policy in respect of non-compliance or breach of compliance measures.

The directors confirm that the Company complies with the provisions of the Companies Act, specifically relating to its incorporation, and operates in compliance with its memorandum of incorporation.

The Group's approach to compliance is risk-based and guided by the Company's regulatory universe as well as the King IV™ principles. Compliance is monitored by the risk committee which, in turn, has delegated the execution of compliance to the RWG.

The Group's compliance obligations include legal and regulatory compliance as well as non-regulatory compliance.

LEGAL AND REGULATORY COMPLIANCE

The Group's regulatory universe identifies the following legislation as core for the Group:

- Basic Conditions of Employment Act 75 of 1997
- Companies Act 71 of 2008
- Consumer Protection Act 68 of 2008
- Financial Advisory and Intermediary Services Act 37 of 2002
- Financial Intelligence Centre Act 38 of 2001
- Financial Markets Act 19 of 2012
- Insurance Act 18 of 2017
- JSE Listings Requirements
- Long-term Insurance Act 52 of 1998
- National Credit Act 34 of 2005
- Promotion of Access to Information Act 2 of 2000
- Protection of Personal Information Act 4 of 2013
- Short-term Insurance Act 53 of 1998

The Group completed a risk assessment of the statutes to determine the seriousness and probability of non-compliance in order to compile an implementation plan based on the high-risk compliance requirements.

CREDIT COMPLIANCE

As a registered credit provider, the Group prioritises compliance with the National Credit Act and responsible lending.

Credit is granted centrally to ensure that credit risk policies are consistently applied, removing all subjectivity in the credit-granting process. Advanced credit-granting systems are in place involving collection of relevant information used to assess the creditworthiness of the customer and determine an acceptable level of risk.

The in-store credit sale application process includes a comprehensive affordability assessment and an interview with the store manager during which the components of the contract are explained, including the optional services and fees, and the total cost of credit. Following completion of this process, final approval is subject to a successful interview with a specialised compliance call centre. Customers can engage with call centre agents in nine of South Africa's 11 official languages. The call between the customer and the call centre agent is undertaken without an intervention from the store manager or store staff.

Call centre agents ensure that customers understand all critical elements of the contract. All calls are recorded and stored to protect the interest of customers and the business. Only once the call centre agent has successfully completed the review with the customer will the transaction be approved. Without this approval, no transaction exists, and the goods will not be delivered nor invoiced.

The Company regards all complaints received as serious. Matters referred from the National Credit Regulator and National Financial Ombud Scheme of South Africa are monitored by the social, ethics and transformation committee until resolved.

NON-REGULATORY COMPLIANCE

The Group subscribes to the Consumer Goods and Services Code. All complaints referred from the Consumer Goods and Services Ombud are resolved expeditiously and efficiently. The social, ethics and transformation committee has oversight of all complaints received and monitors their status until it is resolved.

The Group is also a member of various industry bodies including the Credit Association of South Africa, Credit Industry Forum and the South African Insurance Industry Association.

BEHAVIOURAL AND ETHICAL COMPLIANCE

Ethics remain a key focus for the board and management.

The board-approved ethics framework, code of conduct and core values (code of ethics) outline the standards of honesty, integrity and mutual respect which employees are required to observe.

The code of ethics provides guidance on conflicts of interest which is aimed at ensuring that employees act in the best interest of the Group and do not profit from their position.

The policy governs employees' relationships with suppliers, serving as office bearers on external organisations and industry bodies, and receiving gifts and hospitality from suppliers.

The corporate fraud policy sets out the responsibility of staff and management in the detection, prevention and reporting of fraud. An anonymous tip-off hotline which is managed by an independent service provider is available to all employees and other stakeholders to report suspected fraud or dishonesty. The tip-offs and outcomes of incidents investigated are reported quarterly to the audit committee.

Personal share dealings

An insider trading policy restricts directors and specific staff from dealing in the shares of Lewis Group during closed periods. Closed periods are effective from the end of the interim and annual reporting periods until the financial results are disclosed on SENS. Embargoes are also placed on internal share dealings when the Group is trading under a cautionary statement or engaged in price-sensitive negotiations.

Directors are required to obtain written clearance from the chairperson of the board prior to dealing. The chairperson is required to obtain written permission from the chairperson of the audit committee prior to dealing.

All share dealings by directors are disclosed on SENS.

Non-compliance

The directors confirm that, to their knowledge, the Group was not involved in nor associated with any material transgressions or associated penalties in the reporting period.

Lewis Group Ltd

www.lewisgroup.co.za