APPLICATION OF THE KING IV REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA, 2016™ (KING IV®)

The group endorses King IV® and strives towards compliance therewith as further set out herein.

Approach to governance

Governance philosophy

Nictus is committed to sound corporate governance, guided by the principles of King IV®. These principles are applied in conjunction with IFRS Accounting Standards and within the broader context of integrated thinking and reporting. The group notes the publication of the King V Report on Corporate Governance for South Africa, 2025™ (King V®), and will continue to monitor developments in this regard. The group has not adopted King V® early and continues to apply King IV® in full.

The company recognises that effective governance is essential to sustainable value creation and conducts its affairs in a manner that upholds the letter and spirit of applicable laws, including the Companies Act of South Africa and the JSE Listings Requirements. The group applied King IV® in full for the financial year ended 31 March 2026 and will transition to King V® , as required, for the financial year ending 31 March 2027.

Responsibility and ethical conduct

The board accepts its fiduciary duties and strives to discharge them with care, skill and diligence. Transparency, fairness, prudence, accountability and integrity underpin the group's governance culture and inform its approach to decision-making at every level of the organisation.

Legal compliance

Nictus complies and operates in conformity with all applicable legislation governing its operations, including the Companies Act of South Africa, and in conformity with the provisions of its Memorandum of Incorporation. Compliance is regarded as a baseline for governance, with ethical leadership and meaningful stakeholder engagement enhancing its overall effectiveness.

Governance outcome one: Ethical culture

Principle 1	Nictus application
Leadership "The governing body should lead ethically and effectively"	**Application of ethical leadership** The board embraces Nictus' ideal future, mission and core values, and leads by example through adherence to its established code of conduct. Ethical leadership is foundational to the group's governance approach, guiding actions and decisions toward sustainable economic, social and environmental performance. **Promoting ethical conduct** The board's commitment to ethical conduct is reflected in its composition, which comprises a majority of independent non-executive directors. This diversity of perspective enables a holistic approach to governance and supports the responsible achievement of the group's strategic objectives. During the year under review, no material breaches of the code of conduct were reported to the board. **Board leadership transition** Following a planned succession process, Professor Barend J Willemse stepped down as independent non-executive chairperson. Sarita Martin was appointed as independent non-executive chairperson of the board with effect from 27 May 2026. Professor Willemse will retire from the board at the conclusion of the annual general meeting to be held on 27 August 2026. The board acknowledges with appreciation Professor Willemse's significant contribution to the governance of Nictus over his tenure as a director and chairperson. **Accountability and evaluation** The board diligently fulfils its fiduciary responsibilities, with roles and duties clearly set out in the board charter. Accountability is maintained through annual peer evaluations, where each member is assessed on their contribution to ethical and effective leadership.

Principle 2	Nictus application
Organisational ethics "The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture"	**Promoting organisational ethics** The board, in collaboration with management and the social and ethics committee, requires that all employees endorse the board-approved code of conduct, which serves as the cornerstone of ethical practice within the group. This fosters awareness of the group's ethical standards and compliance expectations. **Leading by example** The board demonstrates its commitment to ethical behaviour by adhering to the code of conduct in its own practices. The Nictus code of conduct is disclosed in this integrated annual report and is also publicly available on the group's website to promote transparency and accountability. **Engagement and stakeholder interaction** The social and ethics committee engages with stakeholders, either directly or through delegated management channels, to assess and uphold the organisation's ethical standards. This engagement helps the board remain attuned to the ethical climate across the group. **Nurturing an ethical culture** The board believes that fostering a strong ethical culture is essential to building enduring stakeholder relationships and supporting the development of internal capability and talent. This contributes to long-term growth, sustainability and effective succession planning within the group.

Governance outcome one: Ethical culture continued

Principle 3	Nictus application
Responsible corporate citizenship "The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen"	**Promoting responsible corporate citizenship** The board acknowledges the Constitution of South Africa as the supreme law, along with other applicable legislation, regulations and the group's internal policies and procedures. In its decision-making, the board actively considers how these frameworks apply to the group's operations, reinforcing the objective of ensuring that Nictus acts, and is perceived to act, as a responsible corporate citizen. **Collaborative governance oversight** The board, with support from its committees, executive management, the company secretary (outsourced to Veritas Eksekuteurskamer Proprietary Limited), regulators and professional advisors, exercises holistic oversight over the group's corporate governance. This collaborative approach enables the board to draw on diverse insights across the governance landscape and to take informed responsibility for ensuring good corporate citizenship.

Governance outcome two: Performance and value creation

Principle 4	Nictus application
Strategy and performance "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"	**Integrating strategy and performance for value creation** The group's integrated business plan, developed by the managing director and approved by the board, is underpinned by ethical leadership and embeds strategy, risk, opportunities, performance and sustainability as interdependent drivers of long-term value creation. **Holistic examination and monitoring** Throughout the year, the board and management undertook comprehensive reviews of strategy, risks, opportunities, performance and sustainability. These reviews included ongoing assessments of viability, capital adequacy, solvency, liquidity and the group's going concern status. This integrated monitoring supports responsive strategic adjustments, designed to seize opportunities, mitigate risks and deliver sustainable value to both shareholders and broader stakeholders.
Principle 5	**Nictus application**
Reporting "The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments regarding the organisation's performance and its short-, medium- and long-term prospects"	**Enhancing reporting for informed assessments** The board, through its oversight of the audit and risk committee and in collaboration with executive management, has implemented robust controls and processes to support credible and balanced reporting. These include consultation with external professional service providers to ensure the independent collection, review and presentation of financial and sustainability-related information. The board ensures that the integrity of the integrated annual report is upheld and that disclosures meet the expectations of King IV® and the JSE Listings Requirements. **Approval and communication protocols** The board retains responsibility for approving interim reporting and other public disclosures, with all Stock Exchange News Services announcements subject to final approval by the chairperson of the board. Following the appointment of Sarita Martin as chairperson with effect from 27 May 2026, this responsibility vests in her accordingly. **Commitment to stakeholder communication** Nictus remains committed to transparent, accessible and effective communication with all stakeholder groups. This is achieved through a combination of formal and informal channels, including the group's website, enabling informed engagement and long-term stakeholder alignment.

Governance outcome three: Adequate and effective control

Principle 6	Nictus application
Primary roles and responsibilities of the governing body "The governing body should serve as the focal point and custodian of corporate governance in the organisation"	**Fulfilling governance responsibilities** The board recognises its pivotal role in steering the organisation and remains committed to guiding and approving its strategic direction in alignment with sound corporate governance principles. **Committee oversight** To assist in fulfilling its responsibilities effectively, the board has established several committees, each operating under formalised terms of reference. These terms of reference are reviewed regularly and amended as needed, subject to board approval. The board ensures that each committee is appropriately constituted with the necessary knowledge, skills, experience and capacity to discharge its mandate. **Transparent governance structure** The board charter sets out the composition, responsibilities and attendance requirements of both the board and its committees, thereby supporting transparency and accountability. This information is summarised in the table presented on page 31 of the 2026 integrated annual report. **Balanced decision-making** The board believes it has fulfilled its obligations as outlined in the board charter. A clear separation of responsibilities ensures that no single director exercises unfettered decision-making power. Decisions are taken collectively and by consensus, reflecting a balanced and collaborative governance approach.

Principle 7	Nictus application
Composition of the governing body "The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance roles and responsibilities objectively and effectively"	**Ensuring board composition for effective governance** The appointment of directors is overseen by the remuneration and nomination committee to ensure that the process is conducted with transparency and accountability. **Commitment to diversity and competence** Nictus is committed to appointing directors with the appropriate qualifications, expertise and experience to discharge their governance duties effectively. The board recognises the importance of attracting members with a diverse range of skills, fields of knowledge, experience, age and independence, and gives due consideration to gender, cultural and racial diversity. This commitment is formalised in the board diversity policy, which underpins the group's broader transformation and inclusion objectives. The board diversity policy is also publicly available on the group's website. No voluntary targets have been set for appointments to the board in respect of these diversity indicators. **Independence and representation** The board and its committees are appropriately represented by independent non-executive directors and are chaired independently, except for the social and ethics committee, which is chaired by a non-executive director. The board acknowledges that while tenure is an important consideration, it is not the sole determinant of independence. Continued tenure is seen as contributing to board stability and institutional knowledge of the group and its operating environment. **Current board composition and independence assessment** As at 31 March 2026, the board comprised two executive directors, three independent non-executive directors and one non-executive director. Subsequent to year end, the following changes to the board were effected: Melanie L de Nysschen was appointed as an independent non-executive director with effect from 27 May 2026, following the completion of a fit and proper assessment, bringing the complement of independent non-executive directors to four. Sarita Martin was elected as chairperson of the board with effect from 27 May 2026, succeeding Professor Barend J Willemse, who stepped down as chairperson but remains an independent non-executive director of the board. Professor Willemse will retire from the board at the conclusion of the annual general meeting to be held on 27 August 2026. The board expresses its sincere appreciation for his dedicated service and the significant contribution he has made to the governance of Nictus over his tenure. During the financial year under review, Professor Willemse had served on the board for longer than nine years (since 2010). His status as independent was reassessed and confirmed. The board evaluates independence from the perspective of a reasonable and informed third party, having regard to the Companies Act of South Africa and King IV® guidance, which affirms that tenure alone does not negate independence.

Governance outcome three: Adequate and effective control continued

Principle 7 continued	**Nictus application**
Composition of the governing body continued	**Continuous independence evaluation** Annual evaluations are conducted for directors who have served beyond nine years, to ensure they continue to demonstrate independence of character and judgement. These assessments consider prevailing circumstances, potential conflicts of interest and all relevant factors to preserve objectivity and promote effective challenge at board level.

Principle 8	**Nictus application**
Committees of the governing body "The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties"	**Promoting effective delegation and independent judgement** Well-structured board committees play a vital role in supporting the board's governance oversight. These committees are appropriately constituted with members of the board, facilitating independent judgement and helping to maintain a balance of power and authority. **Governance oversight** Each board committee operates in terms of formally approved terms of reference, which are reviewed annually to ensure alignment with evolving governance best practices. These terms of reference clearly define the committees' authority, responsibilities and deliverables, promoting transparency and accountability. **Committee composition and selection** The board has established various committees, including the audit and risk committee, the remuneration and nomination committee, the social and ethics committee and the executive committee. Committee members are appointed based on their qualifications, experience and the prescribed requirements for each committee. The board chairperson serves as a member of the audit and risk committee. While King IV® recommends that the chairperson of the governing body should not be a member of the audit committee, the board is satisfied, having regard to the size and composition of the board, that this arrangement does not compromise the independence of the committee, the concentration of power, or the effectiveness of governance. **Transparent governance framework** A comprehensive overview of the composition and roles of each board committee is provided on page 31 of the 2026 integrated annual report, enabling stakeholders to understand the structure, accountability and effectiveness of the board's delegated governance arrangements.

Principle 9	**Nictus application**
Evaluation of the performance of the governing body "The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members supports continued improvement in its performance and effectiveness"	**Facilitating continuous improvement in governance** The board is committed to enhancing its performance and effectiveness through regular evaluations of the board as a whole, its committees, the chairperson and individual directors. These assessments are conducted annually through an internal self-evaluation process. The board remains open to the possibility of appointing external facilitators to conduct these evaluations when deemed appropriate. **Methodology and focus areas** A methodology developed by Ram Charan is applied to identify trends and patterns that may point to areas for improvement, thereby supporting the board's ongoing development and relevance. Focus areas include board dynamics, the effectiveness of information flows and the prioritisation of material matters. **Outcome of evaluations** The board concluded during its most recent annual assessment that it remains effective in providing strategic guidance to management and fulfilling its oversight responsibilities. Where areas for improvement were identified, these have been noted and are being addressed.

Governance outcome three: Adequate and effective control continued

Principle 10	Nictus application
Appointment and delegation to management "The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities"	**Ensuring clarity in the appointment and delegation to management** The board is responsible for the appointment of a competent and experienced managing director, who is entrusted with the implementation and execution of approved strategies, policies and operational plans. The managing director is accountable to the board and provides regular reporting on performance and execution. Succession planning for this key executive role is an ongoing consideration, facilitated through the remuneration and nomination committee. **Effective delegation framework** The board is satisfied that its delegation of authority framework contributes meaningfully to role clarity, accountability and the effective exercise of authority across all levels of the organisation. **Appointment of the company secretary** The board has considered and satisfied itself as to the competence, qualifications and experience of Veritas Eksekuteurskamer Proprietary Limited, which serves as the company secretary to the group. The board approves the service contract and remuneration of the company secretary and evaluates its performance annually against agreed deliverables. The relationship is governed by a written agreement to ensure transparency and accountability. The company secretary has unfettered access to the board and reports directly to the board chairperson on all statutory matters. Administrative and operational reporting flows through executive management, supporting efficient coordination and communication between governance and operations.

Principle 11	Nictus application
Risk governance "The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives"	**Governance of risk to support strategic objectives** Nictus applies a robust risk methodology that integrates risk identification, assessment and response into the group's strategic objectives. This approach ensures that appropriate risk mitigation strategies are implemented and aligned with long-term value creation. **Monitoring and oversight** Risk monitoring is performed through both daily operational activities and periodic assessments across all levels of the organisation. Executive management and the audit and risk committee play key roles in overseeing the risk management process and ensuring that risk responses remain aligned with strategic priorities. **Determining risk tolerance** The board periodically reviews the group's risk profile and formally evaluates its risk tolerance and appetite. These assessments inform and guide management in pursuing risk-informed opportunities within defined parameters and support disciplined decision-making in pursuit of the group's objectives. **Oversight and reporting** The audit and risk committee provides formal oversight of the group's risk management practices and submits its findings and recommendations to the board at least annually. A summary of material risks facing the group, together with the group's mitigation responses, is included in this integrated annual report to provide stakeholders with visibility into the group's risk landscape and governance response.

Governance outcome three: Adequate and effective control continued

Principle 12	Nictus application
Technology and information governance "The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives"	**Promoting effective technology and information governance** Nictus fosters a culture of ethical IT governance and promotes a shared understanding of technology and information management across the organisation. Technology and information initiatives are strategically aligned with the group's performance and sustainability objectives, with a focus on safeguarding information assets, enhancing operational efficiency and supporting long-term value creation. **Delegation and oversight** The board has delegated responsibility for implementing and maintaining an appropriate IT governance framework to management. The audit and risk committee receives and reviews independent assurance on the effectiveness of the group's technology and information governance annually, including the adequacy of outsourcing arrangements and associated risk controls. **Expert consultation and strategic alignment** The group makes use of outsourced IT consultants to provide expert advice on appropriate technology solutions. Recommendations from executive management are submitted to the board for review and approval, ensuring strategic alignment and prudent oversight. **Continuous improvement and compliance** Nictus maintains a continuous focus on improving the functionality and resilience of its systems. Key objectives include enhancing reporting capabilities, streamlining operational processes, supporting informed decision-making and ensuring compliance with relevant legal and regulatory requirements.

Principle 13	Nictus application
Compliance governance "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"	**Promoting compliance governance** Nictus promotes a strong culture of compliance through a structured legal compliance programme. This programme is designed to identify, monitor and facilitate adherence to applicable laws, regulations and relevant codes, and supports the group's ethical culture and corporate citizenship responsibilities. **Integration with ethical standards** Compliance is embedded within Nictus' board-approved code of conduct, reinforcing alignment with the group's values and commitment to responsible and ethical business practices. **Board oversight and legal briefings** The board and the audit and risk committee receive regular briefings on new and emerging laws, regulations and best practice developments from the group's external professional advisors and JSE sponsor. The company secretary coordinates and supports this process, ensuring that relevant information is timeously communicated and that the group's governance and compliance processes remain current and responsive to the evolving regulatory environment. **Compliance functions and external support** Management retains primary responsibility for compliance implementation and reporting within the group, supported by the company secretary. In certain areas, such as the insurance segment, specialist compliance responsibilities are outsourced to qualified third-party service providers to enhance coverage and expertise. **IT infrastructure, data management and information security** During the year under review, the group directed attention toward strengthening its technology infrastructure, data management systems and information security environment. Improvements were made to the group's IT infrastructure and data management capabilities, and development of the group's customer relationship management system remains ongoing. Information security was further enhanced through collaboration with specialist service providers. These initiatives are designed to improve operational resilience, support regulatory compliance and meet evolving internal management requirements.

Governance outcome three: Adequate and effective control continued

Principle 14	Nictus application
Remuneration governance "The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term"	**Promoting fair and transparent remuneration governance** Nictus is committed to fair, responsible and transparent remuneration practices that support the achievement of its strategic objectives and promote sustainable value creation across the short, medium and long term. **Responsibility and oversight** The remuneration and nomination committee is responsible for developing and recommending fair and equitable remuneration policies to the board. These policies are designed to align individual performance and behaviour with the group's broader strategic direction. Subsequent to year end, Melanie L de Nysschen was appointed as chairperson of the remuneration and nomination committee. **Alignment with King IV® and evolving regulatory requirements** Nictus' remuneration policy is informed by the recommended practices of King IV® and complies with applicable statutory requirements, including the Companies Act of South Africa. The implementation report is presented to shareholders annually and the remuneration policy is presented at least every three years, each for approval by a binding vote of shareholders in accordance with the Companies Act of South Africa. **Core principles of the remuneration policy** The group's remuneration policy is underpinned by the following principles: • Attracting and retaining motivated, loyal and high-performing employees; • Aligning employee rewards with the vision and strategic objectives of the group; • Benchmarking and annual review to ensure competitiveness and relevance; and • Encouraging performance-based outcomes that drive long-term success. **Transparency and stakeholder engagement** Full disclosure of the remuneration policy and implementation report is provided on pages 33 to 37 of the 2026 integrated annual report. These disclosures are intended to provide stakeholders with meaningful insight into the group's approach to remuneration governance and how it supports execution of the group's strategy.

Principle 15	Nictus application
Assurance "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 of the organisation's external reports"	**Ensuring an effective control environment and information integrity** Nictus has adopted a combined assurance model that promotes coordination among assurance providers across the organisation. This model is designed to address key risks facing the group and to enhance the reliability of information used for internal decision-making and external reporting. Oversight of the model is provided by the audit and risk committee to ensure alignment with the group's strategic objectives and operational requirements. **Comprehensive assurance framework** The combined assurance model integrates the efforts of internal audit, risk management, compliance and external audit, promoting a systematic and collaborative approach to assurance. This framework ensures adequate and appropriate coverage of material risks and governance areas and contributes to maintaining a sound control environment. **Risk-based internal audit function** The internal audit function operates independently and in accordance with a board- and committee-approved internal audit charter. The function follows a risk-based audit plan focused on evaluating governance structures, risk management processes and the effectiveness of internal controls. **Focus areas and assurance contribution** Internal audit plays a key role in identifying and reporting on control deficiencies, fraud, corruption, unethical conduct and other irregularities. Through its risk-based approach, the internal audit function serves as an early warning mechanism and contributes meaningfully to preserving the integrity of the organisation's reporting and control environment.

Governance outcome four: Trust, good reputation and legitimacy

Principle 16	Nictus application
Stakeholder engagement "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 interests of the organisation over time"	**Fostering meaningful stakeholder engagement** Nictus views stakeholder engagement as a vital component of its governance framework and long-term sustainability. Management is tasked with identifying material stakeholder groups and implementing strategies to understand, manage and respond to their legitimate needs, interests and expectations. The group's stakeholder engagement policy provides the framework within which management identifies material stakeholders, determines appropriate engagement mechanisms and monitors the effectiveness of stakeholder engagement across the group. **Engagement mechanisms and practices** The group facilitates engagement through a combination of formal and informal mechanisms. These include general meetings, direct communication channels, the company's website and *ad hoc* engagements with specific stakeholder groups. Shareholders are actively encouraged to participate in the annual general meeting, which provides an open forum for dialogue and accountability. The annual general meeting for the year under review will be held on Thursday, 27 August 2026. **Balanced, inclusive decision-making** The board is committed to a stakeholder-inclusive approach that considers the interests of all relevant parties while acting in the best interests of the organisation and its shareholders over the long term. This approach supports sound, ethical and balanced decision-making. **Transparency and board accessibility** To reinforce transparent governance, both the board and the group's external auditor are available to address shareholder queries at the annual general meeting. Shareholders are encouraged to submit questions in advance to facilitate meaningful engagement at the meeting. This contributes to a culture of openness, responsiveness and accountability in the group's engagement practices.

Principle 17	Nictus application
Responsible investing "The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote good governance and the creation of value by the companies in which it invests"	**Promoting responsible investment principles** While Nictus is not an institutional investor as defined by King IV®, the group nonetheless recognises the importance of responsible investment as part of its broader governance and value creation framework. The board supports an investment approach that considers governance, sustainability and long-term value in investment decisions made by the group and its subsidiaries. **Strategic investment oversight** Executive management, led by the group managing director and supported by the group financial director, is responsible for formulating and implementing investment principles and practices aimed at achieving sound returns while aligning with responsible investment standards. This includes consideration of governance quality, risk management and sustainability factors in evaluating potential investee companies. **Supporting governance and long-term value** Through its oversight of investment strategy and adherence to established investment protocols, the board ensures that investment decisions contribute to Nictus' overall commitment to sound governance and long-term sustainable value creation within its investment portfolio.