# GOVERNANCE REPORT 2026

THE FOSCHINI GROUP LIMITED
for the year ended 31 March

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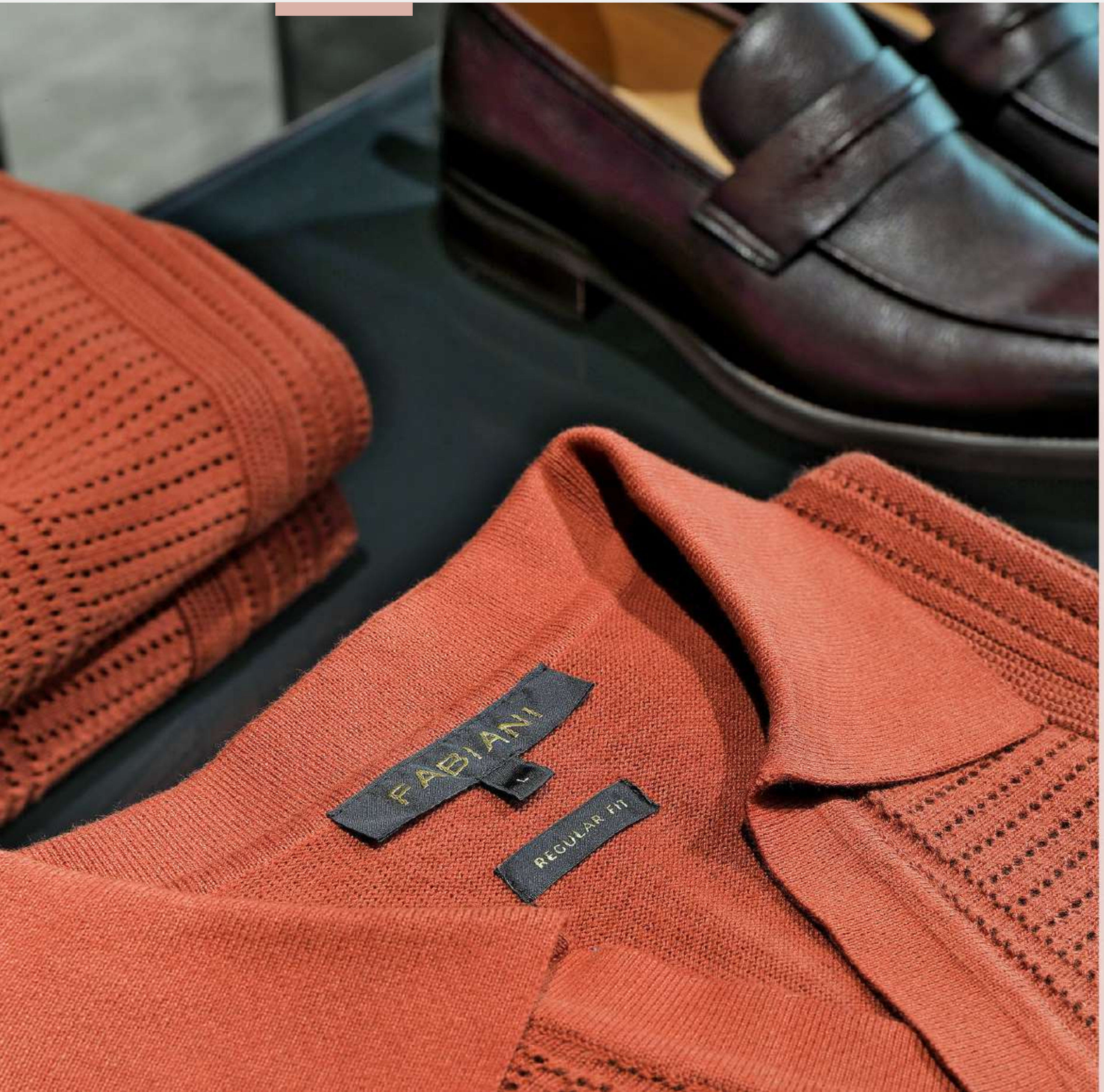



# Introduction

In this section

# About this report

This Governance Report forms part of The Foschini Group Limited and its subsidiaries' (collectively referred to as TFG or the Group) reporting suite for the financial year ended 31 March 2026. It should be read together with the Integrated Annual Report, Annual Financial Statements, Inspired Living Report, Remuneration Report, Notice of Annual General Meeting and other reports available on the Group's website.

The report provides stakeholders with a consolidated overview of TFG's governance framework, structures, processes and practices. It explains how the Board, its committees and executive management exercised oversight during the year in relation to the Group's operating environment, strategy, risks and opportunities, stakeholder interests, ethical leadership, responsible corporate citizenship, remuneration governance and sustainable value creation.

The report has been prepared with due consideration to applicable governance and reporting requirements, including King IV™, the Companies Act of South Africa, No. 71 of 2008, as amended, TFG's memorandum of incorporation and the JSE Listings Requirements. It also considers relevant guidance and frameworks used across the reporting suite, including the Integrated Reporting Framework and the JSE Sustainability Disclosure Guidance.

TFG applies the principles of King IV™ through an outcomes-based approach, with the objective of supporting an ethical culture, good performance, effective control and legitimacy. The application of King IV™ is addressed throughout this report and summarised in the King IV™ application register. The Board of Directors is satisfied that the Group has applied the King IV™ principles during the reporting period and that the governance practices described in this report support the Group's long-term sustainability and value creation.

The Audit Committee exercises oversight over the Annual Financial Statements and relevant financial reporting matters. The Social and Ethics Committee exercises oversight over matters relating to social and ethics, stakeholder relationships, responsible corporate citizenship, transformation and sustainability. The Risk Committee exercises oversight over enterprise risk management, the effectiveness of the Group's risk management framework and processes, IT governance and the validation of the Group's material matters. The Remuneration Committee exercises oversight over remuneration governance and the Remuneration Report. The respective Board committees approved the reports and disclosures within their mandates, which were subsequently recommended to and approved by the Board of Directors.

The information in this report is based on matters considered by the Board and its committees during the year, supported by reports from management and assurance providers where applicable. Certain information in this report may include forward-looking statements. These statements are not guarantees of future performance and may be affected by risks, uncertainties and other factors beyond the Group's control. The Group's external auditors have not reviewed or reported on these forward-looking statements.

The Governance Report was approved by the Board of Directors on 30 July 2026.

We welcome feedback on this report. Comments and queries may be directed to the Group Company Secretary at company_secretary@tfg.co.za.

# Integrated reporting suite

Our reporting suite is designed to provide a balanced overview of TFG's strategy and performance, meet diverse stakeholder needs, and provide streamlined access to all relevant documents.

Reports are available at www.tfglimited.co.za under Investor Relations.

### Governance reports

Reporting to all stakeholders on governance structures, processes, remuneration and policies aligned with King IV™ principles.

- Governance Report
- Remuneration Report

### Financial reports

Primarily reporting to shareholders, investment community and analysts on the Group's financial position and performance.

- Annual Financial Statements
- Results announcement
- Results presentation and webcast

### Sustainability reports

Reporting to all stakeholders based on data-led, stakeholder-focused and material sustainability impacts. It provides a view of the Group's socioeconomic and environmental impact, including climate impact.

- Inspired Living Report
- CDP questionnaire
- B-BBEE credentials and scorecard

### Integrated Annual Report

Reporting to shareholders and interested stakeholders on TFG's strategy, performance and governance impacting value.

- Integrated Annual Report

### Notice of AGM

Documents for shareholders and investors to consider when voting at the Annual General Meeting (AGM).

- Notice of AGM
- Proxy form

## Reporting frameworks and standards

This reporting suite was compiled with due consideration to the following frameworks and standards

### Mandatory frameworks:

- Integrated Reporting <IR> Framework (2021)
- IFRS® Accounting Standards
- IoDSA King IV Report on Corporate Governance™ for South Africa, 2016
- JSE Limited Listings Requirements
- Companies Act of South Africa, No. 71 of 2008, as amended

*The IoDSA King V Report on Corporate Governance™ for South Africa, 2025 was released on 31 October 2025 by the IoDSA. In terms of the JSE Listings Requirements, all Issuers will be required to report on their implementation of King V™ for financial years beginning on or after 1 January 2026. Accordingly, we have prepared this reporting suite with reference to King IV™ and the reporting suite for our year ending 31 March 2027 will be prepared with reference to King V™.*

### Reference frameworks:

- JSE Sustainability Disclosure Guidance
- United Nations (UN) Sustainable Development Goals (SDGs)

# Navigation - how to use this report

This interactive report contains hyperlinks that allow you to find the information you need, including additional details where we reference the website or other reports. For ease of understanding and navigation of the report, icons have been used to indicate where further detail on our capitals, stakeholders and strategic pillars can be found in the report.

## Capitals

These contribute to our ability to achieve our strategic objectives and create value.

### Six capitals

**Financial**: Financial resources available to the Group.

**Manufactured**: Physical infrastructure used in the manufacturing, distribution and selling of merchandise.

**Intellectual**: Knowledge across the business, systems, processes, trademarks, intellectual property and brands.

**Human**: Our employees' skills, capabilities and experience to deliver our strategy.

**Social and relationship**: Networks and relationships that enable the Group to extend its positive impact through cooperation and collective action.

**Nature**: Environmental resources applied and utilised in the operations of the Group.

## Stakeholders

### Stakeholders

- Customers
- Investment Community
- Employees
- Suppliers
- Government, legislators and regulators
- Communities and non-profit organisations
- Environment

## Sustainability

Our Inspired Living framework is structured around three key objectives.

- Fashion that connects us to our people and communities
- Fashion that shares our commitment to responsible sourcing
- Fashion that restores our relationship with the environment

## Strategy

Our strategy, BOLTS, has five pillars that contribute to our ability to create shareholder value over the short, medium and long term. The strategy is reviewed by the Board regularly.

- B — Build out
- O — Optimise
- L — Leverage
- T — Transform
- S — Sustain


# Our governance philosophy

In this section

# Our governance philosophy

TFG's Board, with a majority of non-executive directors - the majority of whom are independent - is responsible for the governance of the Group as a whole. It is ultimately accountable for, *inter alia*, the strategy, direction, leadership and performance of the Group.

TFG's executive management team or Group Executive is responsible for the execution of the strategy and the day-to-day management of the operations of the Group.

## Governance philosophy

**Legitimacy**

The Board committees assist the Board with monitoring, reporting and discharging the Group's governance practices, aligned with the principles of King IV$^{TM}$ and good corporate citizenship. Our stakeholder engagement programme enables us to understand and be responsive to the interests and expectations of all stakeholders.

**Ethical culture**

The Group's Code of Good Ethical Conduct guides how we do business, maintains a workplace free from discrimination and guarantees fair and ethical practices for all employees. The Code also guides how the Group interacts with external stakeholders and broader society. The Group has a zero-tolerance approach to fraud, corruption and other forms of crime or dishonesty. Our formal whistle-blower policy, approved by the Board, enables employees, suppliers and other stakeholders to report any unethical, illegal or unsafe behaviour through anonymous and confidential channels. More details can be found here.

**Effective control and compliance**

The Group's governing structures set the direction for how the relationships and exercise of power within the Group should be approached and conducted. We undertake a formal Board evaluation process every two years to evaluate the performance of the Board, its committees, its Chairman and its individual members. This process was conducted in FY 2025 and our next evaluation is scheduled for FY 2027.

**Good performance**

The Board engages with the Group Executive to assess the Group's performance and maintains alignment between the strategy, performance and remuneration to achieve long-term, sustainable growth and enhance shared value for all stakeholders.

# Our King IV™ application register

The Board remains committed to the application of and adherence to the 16 King IV™ principles to achieve their associated outcomes. The detailed application can be found throughout the report with an easy cross-reference below, along with the Integrated Annual Report and the Inspired Living Report.

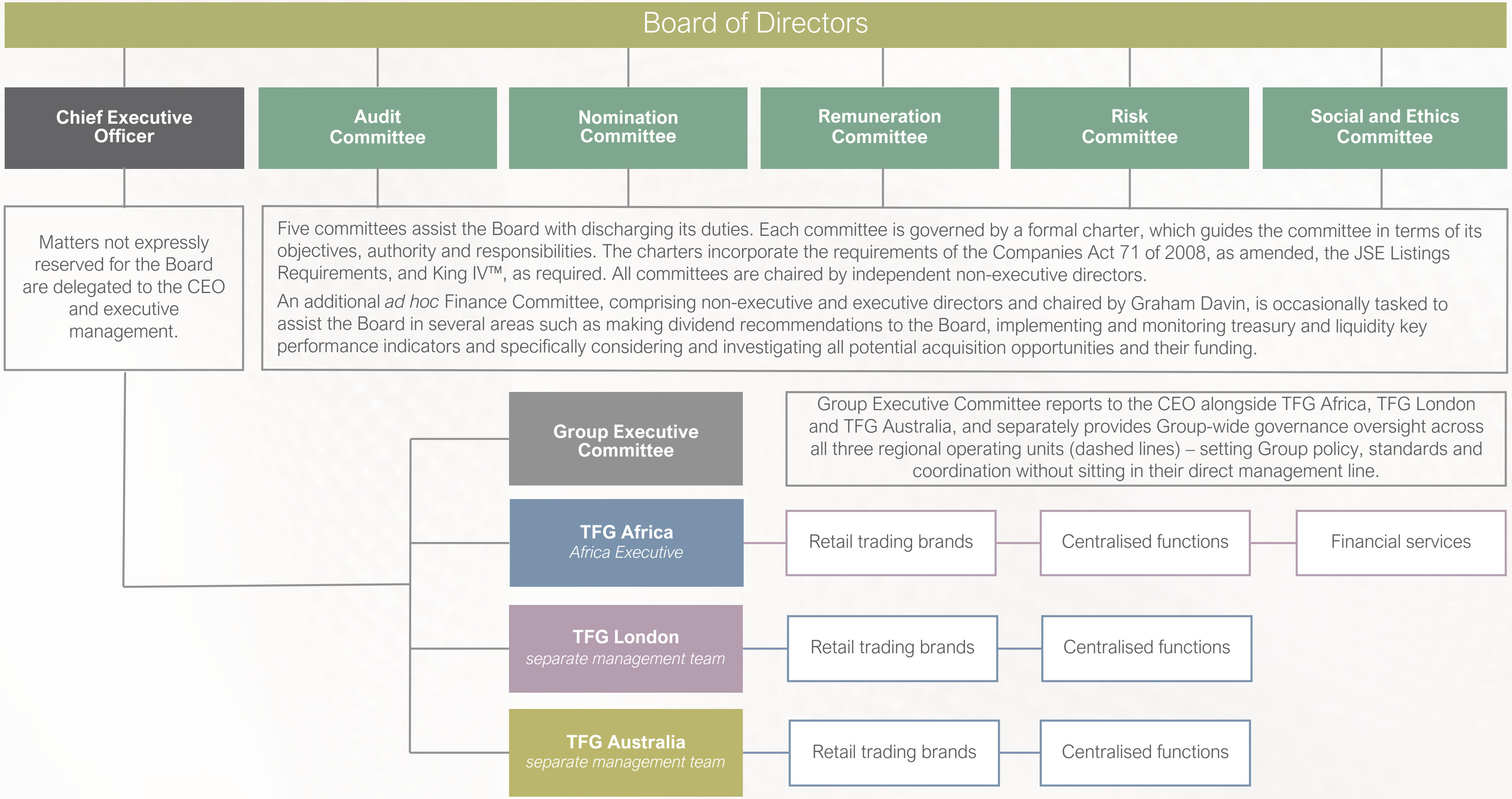
| | Principle | Integrated Report | Governance Report | Inspired Living Report |
|---|---|---|---|---|
| 1 | The Governing Body should lead ethically and effectively. | Our Board (page 15) | Our governance philosophy (page 8)<br>Charter (page 12)<br>Our Board (page 13) | Chief Executive's perspective (page 10)<br>Ethical conduct and business integrity (page 19) |
| 2 | The Governing Body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture. | | Our governance philosophy: Ethical culture (page 8)<br>Social and Ethics Committee Report (pages 27-28) | Ethical conduct and business integrity (page 19)<br>Connects – Our people (pages 25-33) |
| 3 | The Governing Body should ensure that the organisation is and is seen to be a responsible corporate citizen. | The value we offer our stakeholders (page 33)<br>A FOCUS ON GOVERNANCE: Climate governance (page 71) | Our governance philosophy: Legitimacy (page 8)<br>Our compliance (page 20)<br>Social and Ethics Committee Report (pages 27-28) | Social and Ethics Committee Chair perspective (page 11)<br>Restores – Environmental stewardship (pages 46-61) |
| 4 | 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. | Our value-creating business model (page 29)<br>Our material risks and material matters (page 41)<br>Our BOLTS strategy (page 56) | | Integrated value creation and material sustainability impacts (page 13)<br>Strategy in action: integrating sustainability into long-term value creation (page 23) |
| 5 | The Governing Body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects. | About our report: Materiality (page 4), Integrated reporting process (page 4), Board responsibility (page 4) | Governance philosophy: Effective control and compliance (page 8) | Reporting basis, assurance and governance (page 4)<br>Social and Ethics Committee report (pages 21-22) |
| 6 | The Governing Body should serve as the focal point and custodian of corporate governance in the organisation. | Board of Directors outputs in 2026 (page 16) | Board outputs in 2026 (page 17) | Sustainability governance: Board oversight (page 18) |
| 7 | The Governing Body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. | Our Board: Board of Directors' outputs in 2026 (page 16) | Our Board: Our Board of Directors: Diversity (page 15), Skills and experience (page 15), Independence (page 15) | Sustainability governance: Board oversight (page 18)<br>Sustainability performance dashboard: Board composition and diversity (page 80) |
| 8 | 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. | Our Board: Board of Directors' outputs in 2026 (page 16)<br>A FOCUS ON GOVERNANCE: Climate governance (page 71) | Governance structures and delegation (pages 11-12)<br>The delegation of authorities framework (page 12)<br>Our Board committees (pages 22-29) | Sustainability governance: Board oversight (page 18)<br>Social and Ethics Committee report (pages 21-22) |
| 9 | The Governing Body should ensure that the evaluation of its own performance and that of its committees, its Chair and its individual members, support continued improvement in its performance and effectiveness. | | Our governance philosophy (page 8)<br>Our Board: Performance evaluations (page 16)<br>Audit Committee: Determinations (page 24) | |

# Our King IV™ application register

| | Principle | Integrated Report | Governance Report | Inspired Living Report |
|---|---|---|---|---|
| 10 | The Governing Body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities. | Our Group Executive: Succession (page 55) | The delegation of authorities framework (page 12)<br>Separation of powers (page 12) | Board oversight: Executive and management oversight (page 18) |
| 11 | The Governing Body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives. | Our material risks and material matters (page 41) | Our Board committees: Risk Committee (page 26) | Board oversight: Our Board committees (page 18) |
| 12 | The Governing Body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives. | Our material risks and material matters: Cyber security, data protection and technology resilience (page 42) | Areas of functional governance: Governance of technology and data (pages 20-21)<br>Our Board committees: Risk Committee (page 26) | Integrated value creation and material sustainability impacts (page 13) |
| 13 | 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. | Our material risks and material matters (page 41) | Areas of functional governance: Our compliance (page 20) | Sustainability governance: Ethical conduct and business integrity (page 19) |
| 14 | 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. | A FOCUS ON GOVERNANCE: Remuneration (page 17) | Remuneration Report (page 30): Letter from Remuneration Committee Chairman (page 33), Shareholder engagement (page 35), Remuneration Governance (page 36), Our remuneration policy (page 38), Implementation Report (page 46) | Sustainability governance: Aligning remuneration with sustainability priorities (page 20) |
| 15 | 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. | A FOCUS ON GOVERNANCE: Assurance of external reports (page 5) | Our integrated assurance model (page 19)<br>Audit Committee: Value-creating activities during FY 2026 (page 23) | About this report: Assurance scope and internal review (page 4)<br>Social and Ethics Committee Chair perspective (page 11) |
| 16 | In the execution of its governance role 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. | The value we offer our stakeholders (page 33) | Governance structures and delegation (pages 11-12) | Integrated value creation and material sustainability impacts: Stakeholder engagement and identifying material sustainability impacts (page 15), Inputs informing TFG's material sustainability impacts (page 16) |

# Governance structures and delegation

The Board is committed to the highest standards of corporate governance and supports the outcomes and principles set out in King IV™, the Companies Act 71 of 2008, as amended, and the JSE Listings Requirements, as required.



# Governance structures and delegation

## The Group corporate governance framework

The Board assumes responsibility for governance across the Group, including how the relationships and exercise of power within the Group should be approached and conducted. The Group's delegation of authority framework reserves certain matters for final consent by the Board or committees.

### The delegation of authorities framework

The delegation of authorities framework defines how power and responsibility are distributed throughout the Company. In this regard, it confers authority and responsibilities from the Board to its various committees and management, within specified limits.

The Board and its committees are governed by charters that outline their respective authority, responsibilities, powers, composition and functioning. The charters are regularly reviewed and updated. Notwithstanding this, the delegation of authorities framework provides for matters reserved for the Board, and is a crucial point of reference for committees seeking clarity on its specific authority.

The Board considers the allocation of roles and responsibilities and the composition of membership across committees holistically, to achieve the following:

- Effective collaboration through cross-membership across committees, coordinated timing of meetings, and avoiding duplicated or fragmented functioning as far as possible.
- Where more than one committee has the mandate to deal with a similar matter, the specific role and positioning of each committee in relation to such a matter is defined to establish a complementary and holistic view.
- The delivery of a Committee Chairperson's report to the Board after each committee meeting. This facilitates transparent communication among directors, ensuring that all aspects of the Board's mandate are addressed.
- The committees are appropriately constituted, and members are appointed by the Board, under guidance from the Nomination Committee.

The delegation of authorities framework identifies the Group Executive as responsible for the day-to-day management and operations of the Group. In practice, many of the matters reserved for Board approval are formulated and ultimately implemented by the Group Executive, with regular reports to the Board regarding progress and expected timelines.

Examples of these types of matters include the Group strategy, the annual budget and operating plan, major capital projects, risks and material matters, governance frameworks and structures, compliance processes, assurance processes, financial results and shareholder communications, and information and technology governance.

The Board is satisfied that the delegation of authority framework contributed to role clarity and the effective exercise of authority.

## Separation of powers

In terms of the Board Charter, the role of the Chairman remains distinct and separate from the CEO. With this separation of responsibilities, no single person has unfettered decision-making powers, and an appropriate balance of power and authority exists on the Board.

All directors exercise unfettered discretion in fulfilling their duties, and there exists a balance of power and perspectives among the members of the Board.

There is a balanced distribution of power among committee members so that no individual can dominate decision-making, and no undue reliance is placed on any individual.

Directors are individually and collectively accountable to shareholders and are responsible for the Group's overall performance. Each director is expected to fulfil their duties with integrity, competence and in accordance with their fiduciary responsibility to shareholders.

## Charter

The Board is governed by a charter that sets out its mandate and it is satisfied that it has fulfilled its responsibilities in accordance with its charter during FY 2026.

# Our Board

## Our Board of Directors

All directors exercise unfettered discretion in fulfilling their duties, and there exists a balance of power and authority among the members of the Board.

Read the biographies of our Board here.

The table on this page shows the TFG directors as at 30 July 2026.

**Anthony Thunström (56)**
CEO
Tenure: 11 years
BCom (Hons Acc), CA(SA)
S&E RC

**Ralph Buddle (59)**
CFO
Tenure: 2 years
CA(SA)
RC

**Michael Lewis (67)**
Chairman
Non-executive director
Tenure: 37 years
BA (Econ) (Hons)
REM NC

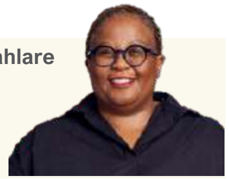
**Graham Davin (70)**
Lead independent non-executive director
Tenure: 10 years
BCom, BAcc, CA(SA), MBA
NC AC

**Bridgitte Backman (63)[3]**
Independent non-executive director
Tenure: 1 year
BSc (Chemistry), MBA (Rotterdam)
S&E

**Colin Coleman (63)**
Independent non-executive director
Tenure: 6 years
BA (Architecture)
REM

**David Friedland (73)[1]**
Non-executive director
Tenure: 12 years
BCom, CA(SA)
RC

**Boitumelo Makgabo-Fiskerstrand (52)**
Non-executive director
Tenure: 13 years
BA (International Relations)
RC S&E



**Mamongae Mahlare (51)[4]**
Independent non-executive director
Tenure: 1 year
BSc Engineering (Chemical), MBA

**Eddy Oblowitz (69)**
Non-executive director
Tenure: 15 years
BCom, CA(SA), CPA(Isr)
RC

**Jan Potgieter (57)**
Independent non-executive director
Tenure: 3 years
BCompt (Hons), CTA, CA(SA)
RC AC

**Nkululeko Sowazi (63)**
Independent non-executive director
Tenure: 2 years
BA, MA (Planning)
REM NC

**Ronnie Stein (77)[1]**
Non-executive director
Tenure: 26 years
BCom, CA(SA)

**Gcina Zondi (53)[2]**
Independent non-executive director
Tenure: 1 year
BCompt (Hons), AGA (SA)
AC RC S&E

Executive directors
Independent non-executive directors
Non-executive directors
AC Audit Committee
NC Nomination Committee
REM Remuneration Committee
RC Risk Committee
S&E Social & Ethics Committee
Chairman

Board as at publication date

*[1] To retire at 2026 AGM.*
*[2] Appointed effective 12 June 2025.*
*[3] Appointed effective 1 September 2025.*
*[4] Appointed effective 1 July 2026.*

# Our Board

Our competent, skilled and diverse Board as at 30 July 2026.

The Board is ultimately accountable for the strategy, direction, leadership, governance and performance of the Group. It comprises mainly non-executive directors, with the majority being independent.

## Independence - Board of Directors

**2** Executive directors

**7** Independent non-executive directors

**5** Non-executive directors

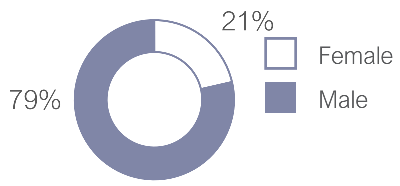
The tenure of the Chairman of the Board is over 12 years and he is therefore classified as a non-executive director.

Total: 14 directors as at the publication date

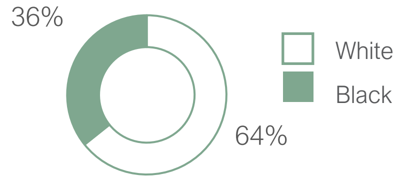
In line with King IV™, the Board has a Lead independent director.

## Diversity

### Gender

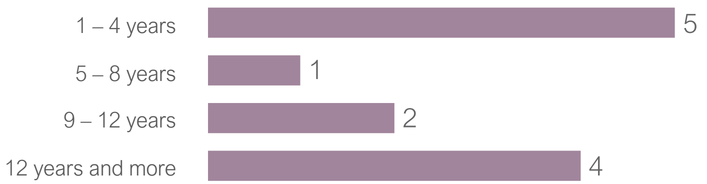



### Race

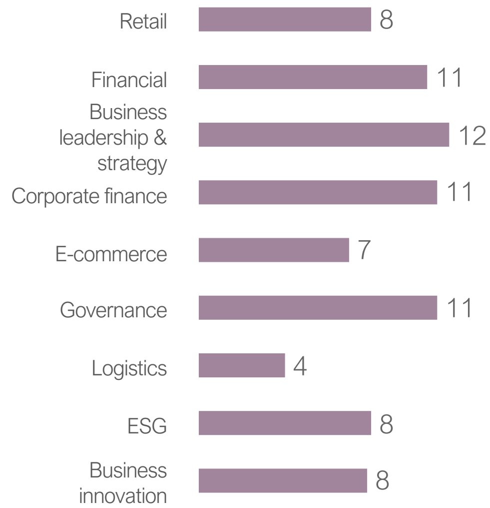



## Age - Board of Directors


## Tenure – non-executive directors




## Skills and experience*




* *Number of Board members.*

| Combined meeting attendance^ | |
|---|---|
| M Lewis | **93%** |
| A E Thunström | **100%** |
| R R Buddle | **100%** |
| B S M Backman | **100%** |
| C Coleman | **78%** |
| G H Davin | **100%** |
| D Friedland | **93%** |
| B L M Makgabo-Fiskerstrand | **100%** |
| A D Murray | **100%** |
| E Oblowitz | **100%** |
| J N Potgieter | **100%** |
| N L Sowazi | **100%** |
| R Stein | **100%** |
| G C Zondi | **100%** |

^ *Meeting attendance for FY 2026.*

# Our Board

## Composition

### Diversity

The Group has adopted a policy for the promotion of broader diversity at Board level. The policy can be found under the Investor Relations/Governance tab on our website.

Diversity is important to provide the necessary range of perspectives, experience and expertise required to govern a complex Group such as TFG toward sustainable value creation over the short and long term.

Our Board includes and uses a range of different skills, industry expertise, experience, age, culture, background, race, and gender to allow for robust challenge, varied viewpoints, the identification of risk blind spots, and expert contribution to ideas and proposals in different markets, industries, and geographies.

Although new perspectives and skills are routinely required as the business shifts and grows, the Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence required for the scale, complexity and nature of its operations. Future Board changes will continue to focus on enhancing Board diversity.

### Skills and experience

The Board, through the Nomination Committee, regularly reviews the collective skills and experience of the directors in response to the fast-changing local and international retail environment.

An appropriate mix of skills, expertise, and experience positions the Board, as a collective, to guide and drive the Group's strategy in creating stakeholder value while it provides for robust deliberations and holistic decision-making at the Board meetings.

### Independence

The Board classifies non-executive directors as independent based on a holistic approach and prioritises substance over form, considering the principles of King IV™ and other relevant factors. In terms of our independence policy, the tenure of directors is also a key component of this categorisation.

This process is also supported by an annual independence questionnaire completed by all non-executive directors.

Our Chairman is a non-executive director. Our lead independent director performs specific duties primarily aimed at strengthening the independence of the Board. These duties include overseeing the evaluation of the Chairman, being a sounding board for the Chairman, an avenue of communication for the other directors on any issues relating to the Chairman, and chairing discussions and decision-making where the Chairman is unable or has a conflict of interest.

Of the seven independent non-executive directors, only one (Graham Davin) has served a term between nine and 12 years. The Board assessed the continued independence of Graham Davin (who recused himself during the relevant meeting). This evaluation considered his conduct, performance, King IV™ indicators, annual independence questionnaires, and any disclosed conflicts. The Board concluded that his tenure does not compromise his independence. All non-executive directors continue to be independent in character, demonstrated through their behaviour, contribution to Board deliberation, and judgement.

The Board introduced a new independence policy in 2023, acknowledging investor concerns about the potential waning of independence through long tenure. The policy has been implemented progressively over a three-year glide-path such that after this three-year period (i.e. at the conclusion of the 2026 AGM), a non-executive director with a tenure of more than 12 years will no longer be categorised as independent.

As announced on SENS on 1 July 2026, Boitumelo Makgabo-Fiskerstrand and David Friedland, previously classified as independent non-executive directors, were reclassified as non-executive directors with effect from 1 July 2026, as their tenure exceeded 12 years.

To maintain a majority of independent non-executive directors on the Board, this policy will necessitate the appointment of additional independent non-executive directors to the Board and the retirement of longer-serving non-executive directors on a continuous basis.

## Appointment, rotation and re-election of directors

Potential non-executive directors undergo a thorough interview process and fit and proper assessment until a suitable candidate is appointed. The process is contained in the Board's director appointment policy that details the appointment procedure.

The Board, assisted by the Nomination Committee, is responsible for the appointments. Newly appointed directors hold office until the next AGM, at which time their appointments are confirmed, and they stand for re-election.

Each year, one-third of the non-executive directors retire by rotation. The Nomination Committee recommends re-election by shareholders, after due consideration of attendance at meetings and respective performance.

Mamongae Mahlare was appointed as an independent non-executive director to the Board with effect from 1 July 2026. Ronnie Stein and David Friedland will be retiring from the Board with effect from 3 September 2026, following the conclusion of the Company's AGM. More details can be found in the AGM Notice.

### Director induction

The induction process for new directors is designed to help them fulfil their statutory obligations and understand the Group's strategic priorities.

The induction programme includes interactions with the executive and management teams responsible for business operations, visits to key facilities in South Africa, and one-on-one meetings with key management.

The Company Secretary is responsible for managing the induction programme.

# Our Board

## Directors' interests in contracts

In addition to a formal annual disclosure process, directors are required to make ongoing disclosures of any interest in contracts.

During the year under review, the directors had no interest in contracts as contemplated in the Companies Act 71 of 2008, as amended.

## Dealing in shares

Directors may not trade with TFG shares during closed periods. Restrictions may also be placed on share dealings at other times if TFG is involved in corporate activity or sensitive negotiations.

Directors are required to obtain prior clearance before dealing in TFG shares. All transactions are conducted at the ruling market price on the JSE. Details of directors' share dealings are disclosed on SENS.

## Access to information and independent external advice

To promote the effective functioning of the Board, all directors have full and timely access to information that helps them perform their duties. All Chairpersons are entitled to briefings ahead of Board and committee meetings and all directors have full access to management.

There is an agreed procedure for directors to take independent professional advice. Directors are not required to engage with management as part of this process, and the costs incurred in obtaining this advice are the responsibility of TFG.

## Performance evaluations

Non-executive directors have no fixed terms, and the performance of all directors is subject to an evaluation process. This formal Board evaluation process is followed every two years as recommended by King IV™.

The Board follows a clearly defined evaluation process.

Comprehensive questionnaires are sent to all Board members to evaluate the performance of the Board, its committees, its Chairman and its individual members.

The results are collated and passed on to the Chairman, who conducts a one-on-one interview session with each director to discuss their feedback and any areas of concern.

The Chairman provides feedback to the Board on any actions arising from the evaluation process. Action plans are in place to address the key themes, which include:

- Board tenure, composition, succession planning and renewal; and
- enhanced approach to and focus on corporate strategy.

The Board is satisfied that the evaluation process is improving its performance and effectiveness. The next evaluation will be performed in the 2027 financial year.

## Company Secretary

The Company Secretary, Darwin van Rooyen, is accountable to the Board, and all directors have access to his professional corporate governance advice and services.

He has unfettered access to the Board, but maintains an arm's length relationship with its members and is not a director of the Company.

The Company Secretary's duties include, but are not limited to, those listed in section 88 of the Companies Act 71 of 2008, as amended.

Every two years, as part of the Board formal evaluation process, the directors assess whether the Company Secretary has fulfilled the required obligations and duties. The assessment questionnaire also gives directors the opportunity to evaluate and provide feedback regarding the Company Secretary's performance.

Following this assessment in 2025, the Company Secretary has been determined to be independent and functionally reports to the Board on company secretarial matters. The Board believes the Company Secretary is an objective, suitably qualified, competent and experienced individual able to provide the Board with the requisite support for its effective and efficient functioning and discharge of its duties.

The Board further believes the office of the Company Secretary is appropriately empowered and carries the necessary authority.

# Our Board

## Board outputs in 2026

The Board, which holds ultimate accountability for governance within the Group, operates according to an annual Board cycle. This structured approach ensures that all governance matters are addressed systematically. The Board Charter defines the responsibilities and scope of work for the Board.

During the year, the Board undertook several discussions and debates focused on the execution of the Group's strategy, the effectiveness of its governance frameworks, and the key drivers of performance.

### Functioning

The Board met five times during FY 2026. The Board typically meets five times a year, including scheduled sessions, an annual strategy session, and additional *ad hoc* meetings to address urgent or time-sensitive matters. The meetings follow a structured annual work plan that includes key approvals, such as those required for the annual budget and interim and year-end financial results.

At each scheduled meeting, the Board receives formal feedback from its committees to ensure comprehensive oversight.

### Value-creating activities during FY 2026

Among other matters, the Board:

- approved and monitored the execution of a R1 billion share repurchase programme;
- approved the appointments of Gcina Zondi and Bridgitte Backman to enhance Board expertise and diversity, as well as various other changes to the composition of Board committees;
- reviewed and approved the budget, interim and year-end financial results;
- focused on management's actions to address cost pressures and protect profitability in a challenging trading environment, including tighter cost control and disciplined capital allocation;
- deliberated on the acceleration of the Group's digital transformation and omnichannel ambitions;
- considered the integration of AI into the organisation alongside the mitigation of escalating cybersecurity threats;
- discussed the rollout of JD Sports stores and the launch of BeautyBox, a new own-brand beauty offering;
- initiated a gap analysis and amendment process to align the Group's charters and disclosures with the new King V™ streamlined principles;
- affirmed the importance of the ongoing three-year glide path for director independence to address concerns received from shareholders in the past regarding long-tenured non-executive directors;
- held critical discussions regarding a supplier breach at a Newcastle factory, extending into a review of the Group's compliance framework, approach and progress;
- monitored progress against the Group's sustainability pillars, including targets for sustainable cotton sourcing and the rollout of smart meter energy management to reduce electricity consumption;
- discussed the future adoption of IFRS S1 and S2 sustainability disclosure standards; and
- discussed the implications and addressed the requirements of the recent amendments to the Employment Equity Act.

#### Determinations

The Board is satisfied that it fulfilled its responsibilities in accordance with its charter during FY 2026.

## Changes to Board membership during FY 2026

### Appointments

- Gcina Zondi was appointed as an independent non-executive director effective 12 June 2025.
- Bridgitte Backman was appointed as an independent non-executive director effective 1 September 2025.

### Retirements

- Doug Murray retired as a non-executive director effective 4 September 2025.

### Reclassifications (independence status)

- Under the Board's 2023 independence policy, independent non-executive directors with a tenure exceeding 12 years were to be transitioned to non-independent status over a three-year glide path.
- Michael Lewis, Ronnie Stein, and Eddy Oblowitz were recategorised from independent non-executive directors to non-executive directors effective 12 June 2025.

## Changes to Board membership after 31 March 2026

- David Friedland and Boitumelo Makgabo-Fiskerstrand were recategorised from independent non-executive directors to non-executive directors effective 1 July 2026.
- Mamongae Mahlare was appointed as an independent non-executive director effective 1 July 2026.
- Ronnie Stein and David Friedland, both non-executive directors of the Company, who were due to retire by rotation at the Company's AGM on 3 September 2026, have indicated that they will not offer themselves for re-election. They will therefore be retiring from the Board with effect from 3 September 2026.

# Our Board

## Board and committee attendance for the financial year

| Attendance/possible meetings | Board | Audit Committee | Nomination Committee | Remuneration Committee | Risk Committee | Social and Ethics Committee |
|---|---|---|---|---|---|---|
| **Meetings held** | 5 | 4 | 3 | 5 | 4 | 2 |
| M Lewis | **5/5** | **3/4#^** | **3/3** | **5/5** | **4/4#** | **1/2#^9** |
| A E Thunström | **5/5** | **4/4#** | **3/3#** | **5/5#** | **4/4** | **2/2** |
| R R Buddle | **5/5** | **4/4#** | | | **4/4** | **2/2#** |
| B S M Backman | **3/3[1]** | | | | | **2/2[1]** |
| C Coleman | **4/5^** | | | **3/4^8** | | |
| G H Davin | **5/5** | **4/4** | **3/3** | | | |
| D Friedland | **5/5** | **3/4^** | | **1/1[7]** | **4/4** | |
| B L M Makgabo-Fiskerstrand | **5/5** | **4/4** | | | **4/4** | **2/2** |
| A D Murray | **3/3[2]** | **1/1#2** | | | **2/2[2]** | |
| E Oblowitz | **5/5** | **4/4[4]** | | **1/1[4]** | **4/4** | |
| J N Potgieter | **5/5** | **4/4** | | | **4/4** | |
| N L Sowazi | **5/5** | | **2/2[6]** | **5/5[6]** | | |
| R Stein | **5/5** | **4/4#** | **1/1[5]** | | **1/1[5]** | |
| G C Zondi | **3/3[3]** | **3/3#3** | | | **3/3[3]** | **2/2[3]** |

*# Invitee*

*^ Absent with apology. Board members who were unable to attend a meeting receive the relevant Board papers and are afforded an opportunity to provide input and feedback ahead of the respective meetings.*

*1 Ms B Backman was appointed to the Board and to the Social and Ethics Committee effective 1 September 2025. She attended all meetings subsequent to this date.*

*2 Mr A D Murray retired from the Board effective 4 September 2025. He attended all meetings prior to his retirement.*

*3 Mr G Zondi was appointed to the Board, as member and Chairperson of the Risk Committee and as member of the Social and Ethics Committee effective 12 June 2025. He attended all meetings subsequent to this date.*

*4 Mr E Oblowitz stepped down as Chairperson and member of the Audit Committee and the Remuneration Committee on 12 June 2025. He remains an invitee to the Audit Committee.*

*5 Mr R Stein stepped down as member of the Nomination Committee and the Risk Committee on 12 June 2025. He attended all meetings prior to this date.*

*6 Mr N L Sowazi was appointed as a member of the Nomination Committee and as member and Chairperson of the Remuneration Committee on 12 June 2025. He was an invitee to the Remuneration Committee prior to this date. He attended all meetings subsequent to this date.*

*7 Mr D Friedland stepped down as member of the Remuneration Committee on 12 June 2025. He attended all meetings prior to this date.*

*8 Mr C Coleman was appointed as member of the Remuneration Committee on 12 June 2025.*

*9 Mr M Lewis stepped down as a member of the Social and Ethics Committee on 12 June 2025 but remains an invitee.*

# Areas of functional governance

## Our integrated assurance model

The objective of our integrated assurance model is to optimise governance oversight, avoid duplication and enhance the efficiency of assurance activities across the Group. This supports a strong control environment that maintains the integrity of information used for decision-making and reporting. The Audit and Risk Committees oversee the integrated assurance framework, its methodology, and assurance outcomes. Assurance providers collectively provide assurance to the Board.

The model is implemented through a Board-approved integrated assurance plan and is supported by a GRC technology platform that offers unified oversight. The Risk Committee reviews the plan annually to ensure the effectiveness of assurance arrangements for the current year and verifies that all significant sustainability and financial issues are independently attended to where necessary.

In its application, the model follows a five levels of assurance methodology. It ensures that the control environment is effective and that management's mitigation measures are adequately implemented, and effective in reducing risk to acceptable levels. Continuous communication and alignment among assurance providers optimise reliance areas and add value for stakeholders. Technology is used to extend the scope of assurance offered.

**Examples of the applicable governance frameworks**

- Companies Act 71 of 2008, as amended, JSE Listings Requirements, and King IV™.
- External governance frameworks and legislation.
- TFG Board, Audit and Risk Committee charters.
- The Group's risk and resilience policy.
- Internal Group policies and procedures.

Assurance providers are increasingly engaged and meet more frequently with business.

| | | |
|---|---|---|
| 1 | Line managers charged with responsibility for daily activities. | Line management is responsible for managing and mitigating operational risk and performance. |
| 2 | Executive management charged with oversight, with regular reporting to the Group Executive. | Group Executive responsible for governance across their areas of responsibility. |
| 3 | Centralised governance functions such as risk, IT security, legal and legal compliance. | Specialised and independent functions guide management in executing its duties and provide assurance through independent monitoring. The Audit and Risk Committees provide oversight. |
| 4 | Internal audit with regular reporting to the Audit and Risk Committees. | Internal audit operates independently from management. The Head of Group Risk and Assurance reports directly to the Audit and Risk Committees. |
| 5 | Various external, accreditation, certification and assurance providers, including our external auditors. | Independent external assurance providers are appointed as required on an *ad hoc* basis. External auditors are appointed by shareholders on the recommendation of the Audit Committee. |

Our assurance providers are increasingly independent. We look to technology solutions to expand our assurance coverage.

# Areas of functional governance

## Our compliance

TFG’s compliance governance is overseen by the Board, which is ultimately accountable for the Group’s adherence to applicable laws, regulations, and adopted non-binding codes.

This oversight is operationalised through a multi-layered structure in which:

- the Risk Committee monitors the evolving regulatory landscape, receiving forward-looking legal compliance updates at every meeting to identify significant legislative changes across all jurisdictions;
- the Social and Ethics Committee serves as the custodian of the Group’s standing as a responsible corporate citizen, overseeing compliance with B-BBEE regulations, human rights standards, and environmental legislation; and
- the Group Executive is primarily tasked with the implementation and execution of effective compliance management across the Group, which it does with the assistance of a dedicated Legal Compliance team.

By proactively identifying and mitigating compliance risks, the Group avoids potential fines and criminal litigation while fostering a culture of integrity and accountability that engenders trust from stakeholders, including investors, regulators, and customers. Ultimately, TFG’s approach to compliance ensures that strategic goals are pursued within a stable regulatory framework, protecting Group assets and supporting long-term sustainable commercial success.

TFG is compliant with, among others, the Constitution of the Republic of South Africa (1996), the Companies Act 71 of 2008 (as amended), the JSE Listings Requirements, the principles of King IV™, and other relevant laws of establishment, specifically relating to its incorporation. The Board is also satisfied that the Company is operating in conformity with its memorandum of incorporation.

As of 31 March 2026, based on applicable laws and regulations, no material non-compliance issues were identified. Additionally, there were no environmental regulatory inspections, no instances of non-compliance with environmental legislation, and no criminal sanctions or prosecutions arising from breaches of environmental law.

## Whistle-blowing

Also central to the Group’s compliance governance is a zero-tolerance approach to fraud and corruption, facilitated by a formal Anti-Corruption Policy and a global, 24/7, independently managed whistle-blowing facility.

Our Whistle-blower Policy is approved by the Board and allows employees, suppliers, and other stakeholders to report any unethical, illegal, or unsafe behaviour through anonymous, confidential channels. This facility, established in 1998, operates 24/7 as a multilingual ethics hotline managed by Deloitte & Touche, an independent third party. It is accessible worldwide via toll-free phone, email, or website.

The policy clearly prohibits retaliation against anyone reporting in good faith. All reports are documented, and the Group's independent Forensics department manages appropriate actions. A summary of the reports received and actions taken is presented biannually to the Social and Ethics Committee. Feedback on significant matters received via the tip-off line is also reviewed by the Risk Committee, and major issues, including fraud, are reported to the Board. In FY 2026, we received 512 whistle-blower reports. All reports were investigated and resolved, with suitable action and remedial steps taken.

We continually promote awareness of the tip-off facility to all employees through the Group's online training portal and regular Group Forensic newsletters. TFG Africa suppliers are informed about the whistle-blower facility via the TFG Merchandise Supply Chain Code of Conduct (TFG Africa) which they are required to accept. The Code mandates that suppliers display the contact details, translated into the local language(s) of their workers, in accessible locations for all employees.

TFG Australia communicates its grievance and whistleblowing arrangements through its Grievance Resolution and Whistleblowing Disclosure Policy and provides access to an independently managed anonymous reporting platform available to employees, contractors, suppliers and other eligible stakeholders.

TFG London requires suppliers to maintain worker grievance and complaints mechanisms, communicate the Supplier Code of Conduct to employees, and display translated copies of the Code in prominent and accessible workplace locations. TFG London further requires suppliers to provide transparent, fair and confidential grievance mechanisms for workers.

## Losses from crime-related incidents

Commensurate with other commercial enterprises, the Group continues to suffer from crime-related incidents in South Africa. Our Group’s independent Forensics department continues to make substantial progress in proactively limiting losses and assisting law enforcement agencies to bring criminals to justice. A reduction in crime contributed to a favourable insurance renewal, and the Group remains insured for significant events.

## Governance of technology and data

The Board holds ultimate accountability for the governance of information and technology, formally delegating oversight to the Risk Committee.

This governance structure ensures that technology remains a primary strategic enabler, powering the BOLTS strategy through omnichannel integration, operational agility, and proprietary platforms like Bash. The Group prioritises the digitisation of processes via AI-based tools to drive long-term value and commercial success.

The Risk Committee provides ongoing oversight over information technology and cybersecurity. To ensure executive alignment, the Chief Information and Logistics Officer and the Group Chief

# Areas of functional governance

Information Security Officer (CISO) attend Risk Committee meetings by invitation to present emerging technology risks, disaster recovery strategies, and significant initiatives. The CISO leads the Group's cybersecurity team, which operates across all regions where the Group conducts business. Regular engagements with regional teams are held to assess emerging technology and information governance risks, review disaster recovery strategies, and oversee significant technology initiatives.

The Group adheres to the internationally recognised Centre for Internet Security (CIS) controls framework, with progress against these best practices actively monitored through both internal self-assessments and independent reviews.

To safeguard the Group's assets and reputation, IT security is embedded as a centralised governance function within the five levels of assurance model. This framework specifically addresses risks arising from an increased reliance on third-party systems and the growing threat of cyber intrusions, which has been escalated by the advent of generative AI, through enhanced monitoring, a dedicated AI policy, and the annual renewal of cyber insurance.

## Climate governance

The TFG Board is accountable for climate-related oversight with specific responsibilities delegated to the Risk Committee and the Social and Ethics Committee. These committees inform the Board on material strategic, existing and emerging risks and opportunities, including those related to climate impacts, metrics, and targets. The Audit Committee is tasked with input and governance over all risks that could impact the Group's financials and financial reporting. This may extend to climate and sustainability risks and opportunities if material.

The Group Executive, led by the CEO, is responsible for the execution of strategy and the day-to-day management of operations, including sustainability risks. The CEO is informed of significant sustainability risks through the Governance Risk Committee and reports any significant climate-related issues to the Risk Committee, and ultimately the Board.

The identification, assessment and management of climate-related risks is integrated into our ERM framework, using the same processes as other risks that might have a material impact on our ability to create sustainable value in the short, medium and long term. The Group's definition of a significant risk considers quantitative and qualitative thresholds.

Read more on page 53 in the Inspired Living Report.

## Inspired Living

**Shares our commitment**

- Responsible purchasing practice
- Responsible supply chains
- Supply chain agility

**Restores our environment**

- Biodiversity
- Waste and packaging
- Climate change
- Materials and design
- Circularity

**Connects our people**

- Our communities
- Our people

# Our Board committees

In this section

# Audit Committee

## Mandate

Assists the Board in evaluating the integrity of our financial statements and ensuring that our internal financial controls and accounting policies are appropriate and support the Group's operations.

Recommends the interim and Annual Financial Statements to the Board for approval, including all public announcements containing financial information.

Responsible for the appointment and oversight of the external auditors of the Group.

Attendance
94%

Independence#
100%

*# As at 31 March 2026.*

## Members *(as at 31 March 2026)*

- Jan Potgieter (Chair)*
- Graham Davin
- David Friedland
- Boitumelo Makgabo-Fiskerstrand

**Appointed Chairperson effective 12 June 2025.*

**Invitees**

The CEO, the CFO, the Chairman of the Board, Head of Group Risk and Assurance, Head of Internal Audit, the Company Secretary, Deloitte & Touche (the Group's external auditors), Ronnie Stein, Eddy Oblowitz and Gcina Zondi.

### Members availing themselves for re-election at the 2026 AGM

As was announced on SENS on 1 July 2026, Boitumelo Makgabo-Fiskerstrand and David Friedland will be stepping down as members of the committee, and Gcina Zondi has been appointed as a member of the committee effective 1 July 2026. These changes to the committee will be included in the proposal to shareholders at the upcoming AGM.

The following members made themselves available for election to the committee. Such election was recommended by the Nomination Committee and will be proposed to shareholders at the upcoming AGM:

- Jan Potgieter (Chairman)
- Graham Davin
- Gcina Zondi

## Functioning

The committee typically meets three times per year, and further meetings are held as required.

The Chairman meets with the external auditors and management representatives separately and/or together at predetermined dates.

Committee members meet independently of executive management with the Head of Internal Audit and the external auditors.

The Head of Internal Audit reports directly to the Audit Committee on all internal audit matters.

## Value-creating activities during FY 2026

Among other matters, the committee:

- reviewed and recommended the FY 2025 full-year results and the FY 2026 interim results to the Board for approval;
- monitored updates on IFRS matters, including IFRS S1 and S2 (Sustainability and Climate-related disclosures) and the mandated income statement changes required by IFRS 18;
- conducted comprehensive assessments of the Group's solvency, liquidity, and cash flow forecasts, confirming that the going concern basis of preparation remained appropriate;
- evaluated findings from the JSE Report on Proactive Monitoring and confirmed that TFG management addressed all relevant disclosure requirements;
- engaged with Deloitte on the execution of and results of the FY 2025 audit;
- approved the FY 2026 External Audit Plan, the Internal Audit Plan, and the committee's Annual Workplan;
- formally assessed and confirmed the independence and objectivity of the external auditors – Deloitte & Touche, and Mr J M Bierman, as the designated partner – and recommended their re-appointment for FY 2026;
- reviewed the Internal Audit Charter, initiating updates to align with the new Global Internal Audit Standards; and
- recommended an enhanced Audit Committee Charter to the Board.

For more detailed activities of the Audit Committee, refer to the Annual Financial Statements.

# Audit Committee

## Determinations

The committee is satisfied that:

- It has carried out its functions in terms of section 94(7) of the Companies Act 71 of 2008, as amended, the JSE Listings Requirements, and King IV™, and fulfilled its responsibilities in accordance with its charter and work plan.
- Ms Carmen van der Vyver, Head of Risk and Assurance, possesses the appropriate expertise, skills and experience to meet her responsibilities.
- The CFO, Mr Ralph Buddle, possesses the appropriate expertise and experience to fulfil his duties and is supported by the expertise, resources and experience of the finance function.
- TFG's system of internal financial controls and financial reporting procedures is effective and provides a basis for the preparation of reliable financial statements for the year under review.
- The interim and year-end financial statements fairly reflect the Group's performance.
- The integrated assurance model was functioning effectively throughout the year under review.
- The internal audit function was functioning effectively throughout the year under review.

# Nomination Committee

## Mandate

Confirms the Board is properly constituted and contains an appropriate balance of independence, tenure, skills, diversity and experience.

Responsible for identifying and nominating suitable candidates to fill Board and committee vacancies.

Manages the formal evaluation process of the Board and committees, which is undertaken on a biennial basis.

Attendance
100%

Independence#
67%

*# As at 31 March 2026.*

## Members *(as at 31 March 2026)*

- Graham Davin (Chair)*
- Michael Lewis**
- Nkululeko Sowazi***

**Appointed as Chairperson effective 12 June 2025.*

*** Stepped down as Chairperson effective 12 June 2025.*

**** Appointed as member effective 12 June 2025.*

### Invitees

The CEO and members of the Company Secretariat.

## Value-creating activities during the year

Among other matters, the committee:

- oversaw significant changes in committee leadership;
- conducted an annual review of the Board Diversity Policy and formally assessed the independence of the Group Company Secretary;
- conducted an extensive search for new independent non-executive directors (iNEDs), maintaining a strong focus on diversity targets;
- reviewed and updated its own Nomination Committee Charter to align with the simplified JSE Listings Requirements and approved its 2026 work plan;
- oversaw the Board evaluation process for the previous period and planned the methodology for the upcoming period;
- addressed concerns raised by shareholders previously regarding director tenure and independence;
- reviewed and made recommendations on the composition of the Board and its committees, considering performance, independence, tenure, and other key Board composition factors;
- reviewed the independence of non-executive directors;
- recommended the appointment of Gcina Zondi and Bridgitte Backman as independent non-executive directors;
- finalised plans for Mr Ronnie Stein and Mr David Friedland to retire from the Board at the 2026 AGM;
- approved the future appointment of Gcina Zondi to the Audit Committee and Bridgitte Backman as Chair of the Social & Ethics Committee; and
- recommended the directors retiring by rotation for re-election:
  - Jan Potgieter
- recommended the members of the Audit Committee to be approved by shareholders:
  - Jan Potgieter
  - Graham Davin
  - Gcina Zondi
- recommended the members of the Social and Ethics Committee to be approved by shareholders:
  - Bridgitte Backman
  - Boitumelo Makgabo-Fiskerstrand
  - Gcina Zondi
  - Anthony Thunström

### Determinations

The committee is satisfied that it has carried out its mandate and fulfilled its responsibilities in accordance with its charter and work plan.

# Risk Committee

## Mandate

Assists the Board in evaluating whether the Group has implemented an effective ERM Framework, policies and plans for risk management that enhances our ability to achieve our strategic objectives.

Monitors ERM processes to maintain the effectiveness of activities to identify and address these key risks.

Responsible for IT governance in a fast-moving technology environment.

Responsible for approving the integrated assurance plan.

| Attendance | Independence[#] |
| --- | --- |
| 100% | 57% |

[#] As at 31 March 2026.

## Members *(as at 31 March 2026)*

- Gcina Zondi (Chair)*[#]
- Anthony Thunström
- Ralph Buddle
- David Friedland[#]
- Boitumelo Makgabo-Fiskerstrand^[#]
- Eddy Oblowitz
- Jan Potgieter[#]

**Appointed as member and Chairperson effective 12 June 2025.*

*^ Reclassified from independent non-executive to non-executive in June 2025.*

*[#] Independent non-executive director.*

### Invitees

The Chairman of the Board, the Head of Group Risk and Assurance, the Head of Group Legal & Compliance, the Chief Information and Logistics Officer and the Chief Information Security Officer.

## Value-creating activities during the year

Among other matters, the committee:

- continuously monitored the Group Risk Dashboard;
- assessed that there are appropriate risk and control policies in place that are communicated throughout the Group;
- approved the revised TFG Organisational Risk and Resilience Policy;
- continued oversight of the Group's response to cyber threats through regular review of simulations and SME discussions;
- continued oversight of the global implementation of the CIS (Centre for Internet Security) control framework;
- oversaw the enhancement of responsible technology and ethics principles to support the management of risks and productivity opportunities associated with Artificial Intelligence (AI);
- oversaw the risk mitigation strategy for the transition between logistics partners;
- monitored updates to applicable legislation globally;
- reviewed and updated its Charter and approved its 2026 work plan to align with the simplified JSE Listings Requirements;
- approved the material matters facing the Group and associated risks;
- approved the integrated assurance plan and ensured that assurance providers are aligned to provide adequate assurance over the significant risks across the Group;
- confirmed that appropriate insurance cover is in place and that uninsured risks are reviewed and managed;
- enhanced and approved a third-party risk methodology; and
- reviewed and monitored the Group's business continuity and crisis management framework.

### Determinations

The committee is satisfied that it has carried out its mandate and fulfilled its responsibilities in accordance with its charter and work plan.

# Social and Ethics Committee

## Mandate

The Social and Ethics Committee assists the Board in overseeing, monitoring and reporting on the Group's social, ethical, transformation and sustainability practices, in line with TFG's commitment to responsible corporate citizenship.

The committee's mandate includes oversight of B-BBEE regulatory matters in TFG Africa, as well as the responsibilities set out in the Companies Act and applicable regulations. The committee also monitors the Group's response to climate change and broader sustainability-related matters.

The committee's key focus areas include:

- social and economic development, including transformation and responsible corporate citizenship;
- climate change, environmental matters, health and public safety;
- labour and employment matters, including employee health, safety and wellbeing;
- customer relationships;
- organisational ethics; and
- sustainability progress and initiatives.

The committee's charter incorporates the requirements of the Companies Act 71 of 2008, as amended, the Companies Regulations 2011, specifically regulation 43(5), King IV™ and matters delegated by the Board.

This report has been prepared in accordance with these requirements, and will be presented to shareholders at the upcoming AGM. Further information on TFG's sustainability performance and initiatives is outlined in our Inspired Living Report, available here.

Attendance
100%

Independence#
75%

# As at 31 March 2026.

## Members *(as at 31 March 2026)*

- Boitumelo Makgabo-Fiskerstrand (Outgoing Chair)
- Anthony Thunström
- Gcina Zondi*
- Bridgitte Backman**

*Appointed a member effective 12 June 2025.

** Appointed a member effective 1 September 2025.

### Invitees

The Chairperson of the Board and TFG executives.

### Members availing themselves for re-election at the 2026 AGM

As was announced on SENS on 1 July 2026, Bridgitte Backman has been appointed as the chairperson of the committee, replacing Boitumelo Makgabo-Fiskerstrand effective 1 July 2026. Boitumelo Makgabo-Fiskerstrand will, however, remain as a member of the committee. These changes to the committee will be included in the proposal to shareholders at the upcoming AGM.

The following members made themselves available for election to the committee. Such election was recommended by the Nomination Committee and will be proposed to shareholders at the upcoming AGM:

- Bridgitte Backman (Chair)
- Boitumelo Makgabo-Fiskerstrand
- Gcina Zondi
- Anthony Thunström

## Value-creating activities during the year

During the year, the committee focused on the social, ethical, transformation and sustainability matters most relevant to TFG's operating context, stakeholder expectations and responsible corporate citizenship. Its work included the following key areas:

### Sustainability governance and reporting

The committee oversaw the continued integration of the Inspired Living framework into the Group's BOLTS strategy, with a focus on connecting people and communities, sharing the Group's commitment to responsible sourcing and restoring the environment. It also monitored progress in strengthening the governance processes, data quality and accountability mechanisms that support credible sustainability implementation and reporting.

# Social and Ethics Committee

## Responsible sourcing, supplier oversight and human rights

The committee monitored progress in supplier visibility and compliance, including Tier 1 mapping, the expansion of mapping into Tier 2 fabric mills and progress towards the FY 2028 target of 100% Tier 1 manufacturing sites audited. It considered supplier oversight, onboarding requirements, declared-site compliance, audit coverage, corrective-action follow-up and supply chain mapping.

The committee also monitored progress on preferred-material sourcing, with a particular focus on own-brand preferred cotton, which reached 41,7% for TFG Africa and 47,7% at Group level.

## Climate and environmental progress

The committee reviewed progress in strengthening the Group's climate plan, including the further development of climate roadmaps, emissions-reduction initiatives and regional targets where these have been formally disclosed. It received updates on renewable-energy opportunities at selected manufacturing sites and on the development of the Group Environmental Policy, which remained in the internal approvals process at the time of reporting.

## Transformation, employment and skills development

The committee monitored TFG Africa's sustained Level 2 B-BBEE rating, supported by investment in skills development and youth employment initiatives. The committee continued to track wage negotiations and union activity across TFG Africa, and reviewed progress in employment and skills-related initiatives, including FirstStart's contribution to new jobs and 3 614 workplace opportunities through initiatives such as the Youth Employment Service (YES) programme.

## Ethics, conduct and stakeholder trust

The committee oversaw the operation of whistleblowing mechanisms across the Group and reviewed Group forensics reports relating to internal theft and fraud. It conducted annual reviews of the Group Code of Conduct and Business Ethics and assessed customer satisfaction and sentiment across various engagement channels.

## Health, safety and public safety

The committee monitored health and safety performance across factories and stores, including injury-rate trends. It also considered health and public safety indicators relevant to the Group's broader operations.

## Community impact

The committee monitored the Group's community impact portfolio, including the launch of Emakhaya as an integrated rural community initiative, together with progress in priority programmes focused on community resilience, access to basic services and social support.

## Looking ahead

Looking ahead, the committee will continue to monitor the Group's response to key social, ethical, transformation and sustainability-related matters, with particular focus on supplier oversight, responsible sourcing, climate and environmental progress, transformation, ethical conduct, health and safety, and community impact. It will also give increasing attention to the governance and ethical considerations arising from the application of artificial intelligence across the organisation.

## Determinations

The committee is satisfied that:

- it has carried out its mandate and fulfilled its responsibilities in accordance with its statutory duties, charter and work plan;
- it received the information required to fulfil its duties from directors, prescribed officers and employees; and
- there were no instances of material non-compliance requiring disclosure for the reporting year.

**Boitumelo Makgabo-Fiskerstrand**

*Chairperson: Social and Ethics Committee*

# Remuneration Committee

## Mandate

Maintains fair and responsible remuneration for directors and executives, considering the long-term interests of the Group and delivering shareholder value.

Ensure an effective remuneration policy is in place which supports the Group's short- and long-term strategies.

The disclosure of director and other executive remuneration is accurate, complete and transparent.

Engage with key shareholders on remuneration matters.

Attendance
93%

Independence#
67%

# As at 31 March 2026.

## Members *(as at 31 March 2026)*

- Nkululeko Sowazi (Chair)*
- Colin Coleman&
- Michael Lewis^

**Appointed as a member and Chairperson effective 12 June 2025.*

*& Appointed as a member effective 12 June 2025.*

*^ Reclassified from independent non-executive to non-executive in June 2025.*

**Invitees**

The CEO.

## Functioning

The committee Chairman regularly meets with various institutional shareholders and external advisers during the year.

## Value-creating activities during the year

Among other matters, the committee:

- approved the remuneration framework, including the remuneration policy and the Single Incentive Plan (SIP) policy;
- approved the performance measures, weightings and targets for FY 2027;
- reviewed the potential annual TGP increases;
- reviewed and approved the outcomes for the SIP for the FY 2026 financial year;
- undertook a comprehensive proactive update to its Charter to align with the Companies Amendment Act 16 of 2024; and
- continuously monitored the Group's Fair Pay approach.

A more detailed report on the roles and responsibilities, and the activities carried out during the year, is available in the Remuneration Report

### Determinations

The committee is satisfied that it has carried out its mandate and fulfilled its responsibilities in accordance with its charter and work plan.


# Remuneration Report

In this section

# Remuneration Report

## Snapshot of our FY 2027 remuneration framework

### Step 1: Strategy comes first

The Board approves the overall Group strategy and budget, which serves as the baseline for all remuneration target-setting.

Aligning the remuneration policy with the Group's BOLTS strategy not only supports its execution, but also strengthens accountability, reinforces our culture and gives employees across the business a clearer line of sight between their individual contributions and the Group's strategic priorities.

For further information, see page 32.

### Step 2: Remuneration philosophy

This is the remuneration design approach and principles that ensure pay is equitable, linked to strategy, simple, transparent, and incentivising long-term growth.

### Step 3: Remuneration policy

The governing framework that sets out our approach to remuneration for the next three years (FY 2027 to FY 2029), with a focus on the elements of executive director remuneration and a high-level overview of all employee remuneration.

### Step 4: Remuneration Committee oversight

Remco acts as the governing body that calibrates targets, approves outcomes, and applies its discretion to incentive outcomes to ensure the entire system supports sustainable growth.

### Step 5: Shareholder voting and feedback

Every three years, as required by the recent Companies Act amendments, the remuneration policy is presented to shareholders for a binding vote. In addition, the Remuneration Report (consisting of the background statement, copy of the remuneration policy, and the Implementation Report) is presented to shareholders annually for a mandatory vote (via an ordinary resolution).

Dissenting shareholders are invited to engage with the Group regarding any concerns and their feedback is considered as part of the Remco's remuneration review, for implementation.

**The Single Incentive Plan (SIP) mechanism**

The SIP is the primary variable pay mechanism for middle management and above. For executives, the SIP delivery is weighted toward long-term alignment, with 40% paid in cash (annual incentive) and 60% in deferred shares vesting after 3 years.

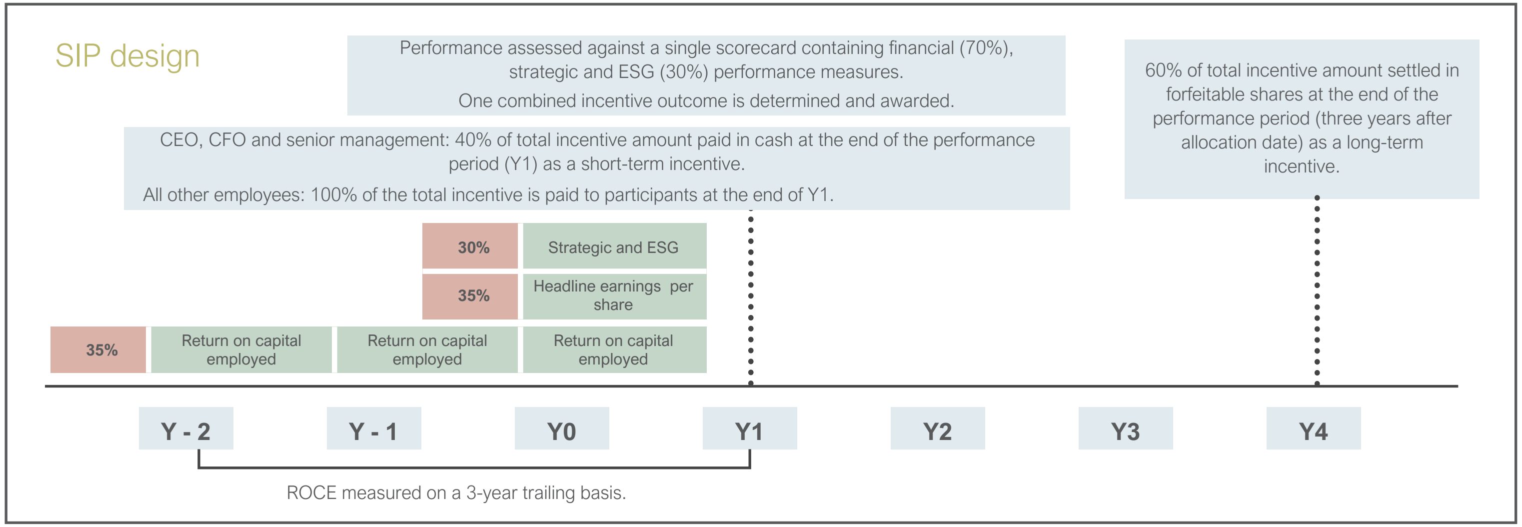
For further information, see pages 40-41 of this Remuneration Report

**Fixed pay vs. variable pay**

Fixed pay (salary/benefits) focuses on talent attraction and fair pay equity.

Variable pay focuses on retaining skilled staff, incentivising performance outcomes that support long-term value creation.

For further information, see page 39 of this Remuneration Report.



# Remuneration Report

## Snapshot of our FY 2026 remuneration outcomes

| Link to strategy | Measure | Impact | Weighting | Weighted outcomes |
|---|---|---|---|---|
| **Financial performance (three years - on a trailing basis)** | | | | |
| BOLTS | Group HEPS | | 35,0% | 0% |
| **Financial performance (measured over one year)** | | | | |
| BOLTS | Group ROCE | | 35,0% | 0% |
| **Strategic and ESG priorities (measured over one year building on strategic implementation)** | | | | |
| S Sustain | People and transformation | • Create jobs via acquisition and organic growth in stores and factories. | 5,0% | 6,0% |
| S Sustain | Traceability of supply | | 2,5% | 3,5% |
| L Leverage | Customer | • Increase total active Reward base. | 5,0% | 7,0% |
| O Optimise | Localisation of manufacturing | • Local sourcing and manufacturing to support a Denim strategy. | 10,0% | 11,3% |
| T Transform | Omnichannel revenue | • In-store generated sales via Bashstore. | 7,5% | 10,5% |
| | **Total formulaic vesting** | | | **38,3%** |
| | **Total actual vesting** | | | **0%** |

*Incentive scale: Threshold - 50% (•) ~ Target - 100% (•) ~ Stretch - 140% (•)*

*Actual outcome x incentive scale value*

### Guaranteed pay increases approved for FY 2027

*Effective 1 April*

| | |
|---|---|
| Executives | 0% |
| Management | 2,0% |
| Stores | 5,0% |
| Manufacturing | 5,0% |

### FY 2026 Group performance

Revenue
+7,2%

ROCE
10,9%
*(excludes brand impairments and acquisition-related costs)*

HEPS
675,4c

PBT
-56,9%

Bash revenue
R3,5bn

### Executive directors' single-figure remuneration

| Executive directors | Guaranteed pay R'000[1] | Annual Incentive (STI) R'000[2] | Deferred Incentive (LTI) R'000[2] | Dividends R'000 | Total remuneration R'000 |
|---|---|---|---|---|---|
| A E Thunström | **17 365** | – | – | **1 131** | **18 496** |
| R R Buddle | **8 319** | – | – | **167** | **8 486** |
| **Total** | **25 684** | – | – | **1 298** | **26 982** |

*[1] Guaranteed pay includes retirement fund contributions.*

*[2] The Single Incentive outcome was 38,3%, which the Remco reduced by the maximum permissible moderation of 25%. In light of the Company's financial performance, the CEO and CFO, in consultation with Remco, elected to forgo any SIP payment (STI) and SIP award (LTI) for FY 2026.*

### Executive directors' minimum shareholding requirements

| | Required to hold by year | Target shares to hold | Actual shares held as at FY 2026 |
|---|---|---|---|
| A E Thunström | FY 2026 | 335 909 | 482 179 |
| R R Buddle* | FY 2029 | 149 056 | – |

**Joined as CFO on 1 April 2024, required to reach MSR by FY 2029.*

# Remuneration Report

## Structure of the report

This report comprises three parts:

### Part 1:

A letter from the Remuneration Committee Chairman that summarises the policy for FY 2027, an overview of the remuneration outcomes for FY 2026 and the committee's approach to remuneration governance.

### Part 2:

Our remuneration policy sets out the main factors shaping our remuneration philosophy, the executive director remuneration policy, and an overview of our wider workforce remuneration approach. A separate NED fee policy is provided and does not form part of this remuneration report.

### Part 3:

Our Implementation Report sets out the director remuneration and performance outcomes for FY 2026 and implementation decisions for FY 2027.

# Part 1: Chairman's letter

The 2026 financial year has been a period of volatility and structural shifts, requiring the committee to remain agile, transparent, and engaged with our stakeholders. This operating landscape continues to shape how we approach remuneration in the Group. We aim to align our remuneration policy with what success looks like for the Group across financial and non-financial spheres, while balancing the varying expectations from all stakeholders. We remain focused on implementing and overseeing remuneration practices that are fair, competitive and aligned with performance, while supporting the attraction, retention, and motivation of key talent.

Dear Shareholders,

On behalf of the Board (Board) and the Remuneration Committee (Remco or Committee), I am pleased to present the Group's 2026 Remuneration Report.

In my first year as Chairman of the Remuneration Committee, I have been grateful for the committee's well-established processes and collaborative approach, which enabled a smooth transition and effective leadership from the outset. The committee is mindful of the weight of responsibility that comes with ensuring the Group's reward systems are fair, responsible and effective at balancing the expectations of our shareholders with the Group's need to motivate and retain a leadership team capable of navigating an increasingly complex global retail landscape.

## Financial performance

The year under review was characterised by a dramatic downturn mid-2025, when the retail sector experienced a notable decrease in trading performance.

Within our own operations, while South Africa achieved a revenue growth of 6,1%, this fell short of our initial 8% plan, and heavy winter discounting inevitably pressured our gross margins. We also faced significant headwinds in Australia, where negative turnover growth collided with a fixed-cost structure and eroded profitability. FY 2026 was a difficult year for TFG London, with performance materially impacted by weak UK consumer confidence and sustained pressure on department store channels. Underlying revenue was flat, profitability declined significantly, and the business accelerated a number of structural actions – including store closures, a Phase Eight restructuring, and a continued shift toward owned and online channels. These conditions are directly reflected in the incentive outcomes for the year.

## Performance-driven remuneration

### Fixed pay increases

As approved for FY 2027, executive management will receive a 0% guaranteed pay increase.

Across the broader employee base, management and head-office employees will receive an average increase of 2,0% (FY 2025: 5,0%), while store and distribution centre employees will receive an average increase of 5,0% (FY 2025: 6,0%).

# Remuneration Report

These decisions reflect the Group's current trading performance and overall affordability, while intentionally prioritising protection and support for the lowest-paid employees.

## Incentive outcomes

Given the financial headwinds faced by the Group during the year, the committee recognises that shareholders will closely scrutinise the incentive outcomes, particularly as financial performance was below the prior year and below certain expectations.

Financial performance remains a core component of the Group's incentive framework and directly impacted the incentive outcomes for the year. The lower-than-expected financial outcomes reduced the overall score under the SIP and, consequently, the incentives (cash and shares) payable to executives.

The committee also recognises that certain strategic targets, including those relating to the active rewards customer base, localised sourcing and manufacturing, and the profitability of Bash, were not disclosed in detail in the 2025 Remuneration Report. These targets were not disclosed prospectively because they related to commercially sensitive priorities where advance disclosure could have weakened TFG's competitive, operational or strategic position.

The committee confirms that these targets formed part of the approved performance scorecard for the year and were assessed against evidence of delivery.

The committee believes that strategic and ESG measures are an important part of assessing executive performance, particularly where they support the Group's longer-term resilience, competitiveness and growth. They are assessed as part of a balanced scorecard in which financial performance remains the primary determinant of the overall incentive outcome.

In approving the final outcome, the committee considered the formulaic result obtained in respect of the SIP against the broader performance context, including the Group's financial performance, shareholder experience, progress against the approved strategic and ESG measures and the need to ensure that remuneration outcomes remain fair, responsible and aligned with long-term value creation.

In light of the Group's financial performance, the committee exercised its discretion to apply a downward moderation to the CEO and CFO's incentive outcomes to ensure closer alignment with the experience of shareholders. The Single Incentive outcome was 38,3%, which Remco reduced by the maximum permissible moderation of 25%. In the context of the Company's below-expected financial performance and significant relative share price decline versus the sector, Remco initiated a discussion with the CEO and CFO. Following this engagement, it was agreed that the CEO and CFO would forgo any incentive relating to FY 2026. This outcome is considered appropriate given the performance delivered and aligns with the expectations of shareholders.

## Incentive targets in context

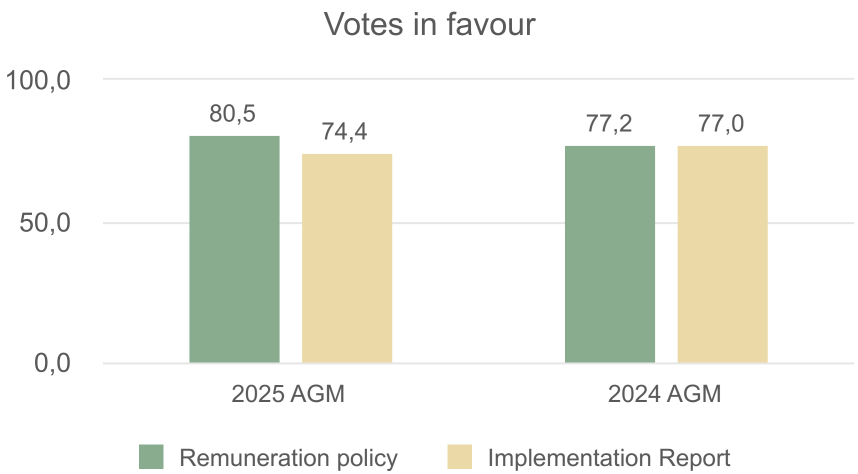
The Group's performance targets are designed to align executive reward with the delivery of its BOLTS strategy, while ensuring that remuneration outcomes remain closely linked to shareholder value creation. Financial measures account for 70% of the overall weighting, reflecting the importance of sustainable profitability, capital efficiency and earnings growth in determining the total quantum of pay. These measures are complemented by strategic and ESG targets, which recognise the operational and societal priorities that underpin the Group's long-term resilience.

The strategic and ESG targets focus on the fundamental work required to build a stronger platform for future growth. These include localising manufacturing to improve agility and working capital management, enhancing customer relevance through omnichannel execution, supporting transformation and workplace opportunities, and strengthening supply chain traceability. Together, these targets ensure that management remains accountable not only for near-term financial delivery, but also for the capabilities, relationships and responsible business practices that support sustainable value creation over time.

# Remuneration Report

## Shareholder engagement

### Voting outcomes




### Shareholder feedback

TFG maintains an active and transparent shareholder engagement programme. The general tone of these engagements has been constructive and positive, with strong support for governance improvements and Board refreshes, though some concerns remain, as outlined below.

Our frequent virtual and face-to-face engagements with our key shareholders remain in place to ensure that our strategy and related remuneration practices are debated and understood. Against this background, our remuneration policy for FY 2027 remains unchanged.

In accordance with the Companies Amendment Act 16 of 2024, the remuneration policy and Remuneration Report will each be tabled for approval by shareholders by way of ordinary resolution at the 2026 AGM, requiring the support of more than 50% of votes cast. The Board is committed to transparent and meaningful dialogue with shareholders as TFG navigates this first year of statutory remuneration disclosure.

See our Remuneration Committee report on page 29 of the Governance Report.

| Matters raised by shareholders | Action taken by the committee |
|---|---|
| **Request to include dedicated cash flow metric** | After conducting a thorough analysis, the decision was taken not to make immediate changes for the FY 2027 incentive cycle. We believe ROCE already accounts for the key drivers of cash flow, including capital expenditures, inventory management, and profitability. |
| **HEPS and ROCE targets should be stretching** | We remain confident that the targets are appropriately challenging given the jurisdictional headwinds and the significant sector-wide downturn observed in June 2025 and believe that the financial performance outcome relative to the targets set evidences that the targets are appropriately stretching and supports the principle that remuneration outcomes are aligned with performance in that remuneration outcomes are not awarded for underperformance. |
| **Scale and performance conditions of SAR awards** | Shareholders raised concerns with the rationale, scale and performance conditions of the once-off Share Appreciation Rights (SAR) award granted to Operating Board members in December 2024.<br>Given the competition for experienced executives across multiple disciplines in South Africa, robust retention mechanisms are a strategic necessity to protect the intellectual capital that drives shareholder value.<br>In addition, all terms were published via SENS in the interests of transparency. The award is structured to require substantial share price growth before any value can be realised. |
| **Governance and fair pay** | Shareholders requested improved transparency regarding fair pay and the link between pay and performance.<br>During FY 2026, we updated the Remuneration Committee Charter to align with the Companies Amendment Act 16 of 2024.<br>The updated charter now formalises oversight of pay equity (including median/average pay and pay-gap ratios) and strengthens malus and clawback provisions.<br>A decision has also been taken to strengthen the narrative on fair pay (as outlined in our fair pay principles, our commitment to providing employee opportunities to earn and creating internal awareness of our pay ratios (see pages 38-39)). |

# Remuneration Report

## Remuneration governance

The Remuneration Committee (Remco) is a formally constituted committee of the Board, operating under written terms of reference approved by the Board and reviewed annually. As at 31 March 2026, the committee comprised two independent non-executive directors and one non-executive director, chaired by N L Sowazi. The committee's composition, members' qualifications and experience, the number of meetings held during the year and attendance are set out in the Governance Report on pages 13-18.

The committee met five times during FY 2026. Its core responsibilities, as set out in its terms of reference, include overseeing the remuneration policy and its implementation, approving executive directors' total guaranteed pay, short-term and long-term incentive outcomes and awards, setting and approving performance targets, overseeing the application of malus and clawback and minimum shareholding requirements, and recommending non-executive director fees for shareholder approval.

During FY 2026 the committee updated its terms of reference to align with the Companies Amendment Act 16 of 2024. The terms of reference now formalise the committee's oversight of pay equity – including median and average pay, pay-gap ratios and the fair-pay review across the workforce – and strengthen the malus and clawback provisions. The committee considers Group-wide pay data, including the relationship between executive and wider-workforce pay, as part of its deliberations on executive remuneration.

The committee's decisions are informed by independent external advisers (see "remuneration consultants" below) and by management input, with the committee retaining full discretion over final outcomes.

### Key committee decisions during FY 2026

During the year, in addition to the matters discussed in this letter, the committee:

- approved total guaranteed pay increases for FY 2027 (0% for executive management, an average of 2% for management and head office, and an average of 5% for store and distribution centre employees);
- assessed the FY 2026 SIP scorecard outcome and applied a downward moderation, following which the CEO and CFO elected to forgo their FY 2026 incentive;
- approved the FY 2027 financial and strategic performance targets and confirmed that the remuneration policy remains unchanged for FY 2027;
- reviewed and updated its terms of reference to align with the Companies Amendment Act 16 of 2024, formalising oversight of pay equity and strengthening malus and clawback;
- reviewed the Group's fair-pay analysis and pay-gap disclosures across the workforce; and
- confirmed the independence and objectivity of its external remuneration advisers.

### Use of discretion

The committee exercised its discretion once during the year, in a downward direction. The formulaic SIP outcome for FY 2026 was 38,4% of the on-target opportunity. Considering the Group's below-expected financial performance and the significant relative share price decline versus the sector, the committee applied the maximum permissible downward moderation of 25% to the CEO's and CFO's outcomes. Following engagement between the committee and the executives, the CEO and CFO elected to forgo their FY 2026 incentive entirely.

The quantum impact of this discretion was a reduction of the CEO's and CFO's combined FY 2026 annual and deferred incentive to nil. No upward discretion was applied during the year. The committee is satisfied that this outcome is fair, aligned with the shareholder experience, and consistent with the Group's pay-for-performance philosophy.

### Committee priorities for FY 2027

Looking ahead, the committee's priorities for FY 2027 include:

- monitoring delivery against the FY 2027 financial and strategic/ESG targets and the appropriateness of the resulting incentive outcomes;
- embedding the enhanced pay-equity and fair-pay oversight introduced into the committee's terms of reference;
- finalising a standalone non-executive director fee policy in line with King V™;
- overseeing the first full cycle of statutory remuneration voting under sections 30A and 30B of the Companies Act, including proactive shareholder engagement ahead of the 2026 AGM; and
- reviewing the ongoing alignment of the remuneration framework with the BOLTS strategy and with King V™ principle 11.

# Remuneration Report

## External advisers

Fundamental to the committee's ongoing activities and in accordance with the principles and practices of good governance, the committee ensures that its decision-making is informed, balanced and independent on all remuneration-related matters.

To enhance the integrity, transparency and robustness of its decisions, the committee utilises the specialist services of independent external advisers to provide objective insights, latest remuneration trends and practices and benchmarking data. During FY 2026, specialist remuneration consulting services were procured from DG Capital and PwC.

Our advisers attended committee meetings and provided written and oral advice regarding executive remuneration and incentive schemes and conducted specific independent market research and related benchmarking.

The committee is satisfied with their services rendered, specifically their respective competencies, independence, expertise and impartiality in supporting all remuneration-related decisions taken by the committee during the year under review.

## Acquittance of responsibilities

The committee is satisfied that it has fulfilled its responsibilities appropriately in accordance with its Board Charter and related regulatory and other mandates for FY 2026.

In closing, my first year as Chair has reinforced my belief that remuneration must be a dynamic tool for strategy execution, not a static compliance requirement. We will continue to evolve our practices in lockstep with regulatory changes and shareholder feedback, always with the goal of ensuring that TFG remains a fair, high-performing, and sustainably successful organisation. I look forward to our continued dialogue as we work together to secure the future growth of this Group.

Our FY 2027 remuneration policy will continue to support the achievement of our strategic priorities directly aligned to our BOLTS strategy, thereby engendering alignment with our shareholder interests and value creation over the longer term.

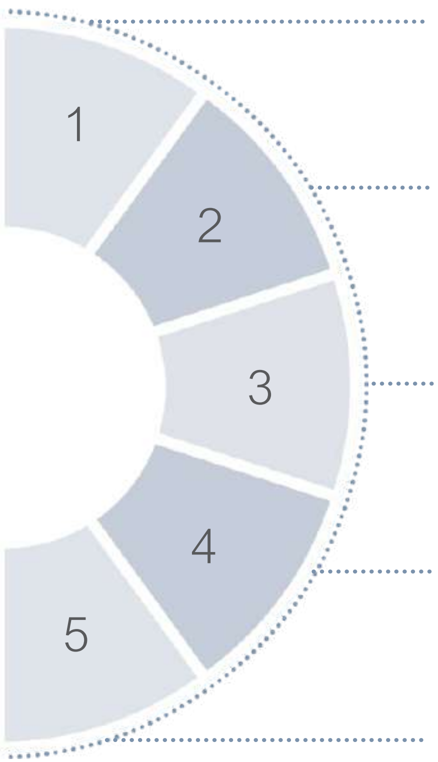
**Nkuleleko Sowazi**

*Chairman: Remuneration Committee*

# Part 2: Our remuneration policy

## Guiding principles

Our remuneration policy is built on the following guiding principles:




**Equitable and fair**

We consider external and internal quantitative and qualitative factors when determining fair pay. Our fair pay approach assesses the gap between an employee's current pay and their recommended pay, ensuring that remuneration appropriately reflects each employee's skills, experience and performance.

**Linked to our strategy and stakeholders**

Performance measures include relevant financial, strategic and ESG measures with appropriate weightings to support our strategy.

**Rewarding the right behaviour to deliver long-term growth for our shareholders**

We carefully select and calibrate performance conditions to reflect long-term growth.

**Performance-aligned pay**

Our pay mix is geared towards "pay at risk" with variable pay at senior levels linked to performance and appropriately capped.

**Simple and transparent**

The remuneration policy is designed to incentivise executives to achieve clearly defined financial, operational and strategic objectives and communicate objectives and outcomes in a clear and transparent manner to our stakeholders.

## Scope and application of this policy

This remuneration policy governs the remuneration of the Group's executive directors. It is presented for a binding shareholder vote by ordinary resolution in accordance with section 30A of the Companies Act and is intended to remain in force for three financial years (FY 2027 to FY 2029), unless a material change requires earlier re-approval.

A high-level overview of the principles applied to the remuneration of the wider workforce is provided below to demonstrate that the committee considers pay and conditions across all employee levels when making executive remuneration decisions.

## Our focus on fair pay

At TFG, our focus is on fair pay - we value the trust of our employees and our stakeholders and commit to being transparent, consistent, and fair in the way we determine and manage pay across our business. Fair pay is a core principle embedded across all jurisdictions in which we operate. This report places particular focus on South Africa, where recent legislative developments warrant closer attention and to which the Company is fully aligned.

### Our fair pay philosophy

At TFG, fair pay is further supported by ensuring that employees at all levels have meaningful opportunities to earn. This principle is embedded in our remuneration framework, which is designed to promote equitable access to performance-based rewards and incentives throughout the organisation. The relative complexity of the business, and the diverse, multi-jurisdictional nature of the business must be considered and contextualised when analysing measures of fair pay and pay equity across the TFG operating environments. TFG's pay framework recognises these differences in how pay is structured and governed.

# Remuneration Report

## Our fair pay principles

- Pay is managed within a defined framework to ensure consistent and fair pay practices across all levels of the organisation, ensuring all employees, irrespective of level, position, and demographics, are treated similarly.
- We are transparent about how we manage pay and pay-related decisions across our business to support and foster a culture of fairness and transparency.
- Pay equity is determined on the basis that employees are paid fairly based on factors such as skill, capability, performance, experience and competence in role, ensuring pay decisions are justifiable and reasonable, apply consistent criteria, and are transparent in how they are determined.
- Pay is not differentiated by any non-performance-related factors such as race, gender, and tenure.
- Executive remuneration is reviewed in the context of overall employee remuneration.
- Pay is guided by market factors to ensure remuneration remains competitive and aligned with industry benchmarks.

We uphold our commitment to accountability by regularly reporting identified pay disparities to the committee. This oversight ensures that any gaps are addressed intentionally, and that progress is made in a manner that is both financially sustainable and aligned with the Group's long-term objectives.

## Overview of our remuneration offering

Our employee remuneration offering comprises total guaranteed pay (TGP) and variable pay in the form of a SIP. The SIP is not guaranteed and comprises an annual (or short-term) incentive and a deferred (or long-term) incentive component. The composition of the pay mix depends on the employee's job level, with senior-level employees having a greater variable component (i.e. pay at risk) as part of their remuneration.

| Remuneration element | Eligibility |
|---|---|
| **Total guaranteed pay** | |
| Cash salary<br>Benefits<br>• TFG retirement fund<br>• Group life and disability benefits<br>• TFG medical aid scheme<br>• Other benefits as per specific country | All permanent employees |
| Annual year-end bonus | All permanent employees below junior management |
| **Variable pay** | |
| Short-term incentive schemes | TFG Africa:<br>• SIP applicable to middle management and above<br>• Gain share scheme: applicable to junior management<br>• Store incentive scheme: applicable to all store employees, including store management<br>TFG London and TFG Australia: Annual incentive scheme (annual incentive) applicable to middle management and above |
| Long-term incentive schemes | TFG Africa: SIP applicable to middle management and above<br>TFG London: Deferred incentive scheme (deferred incentive) applicable to senior management and above<br>TFG Australia: Phantom share scheme applicable to senior management and above |
| **Wealth at risk** | |
| Minimum shareholding requirement | Executive directors |

# Remuneration Report

## Overview of our remuneration offering for executive directors

### Our approach to total guaranteed pay (TGP)

Our fixed pay offering comprises base pay combined with a range of benefits.

Executive directors' TGP comprises base pay and benefits (including retirement fund contributions, group life and disability cover, funeral benefits and the Group medical aid scheme). TGP is intended to attract and retain executives capable of leading complex, multi-jurisdictional retail businesses.

The committee aims to position executive directors' TGP at the upper quartile of the relevant market, taking into account the relative complexity, diversity and multi-jurisdictional nature of the business.

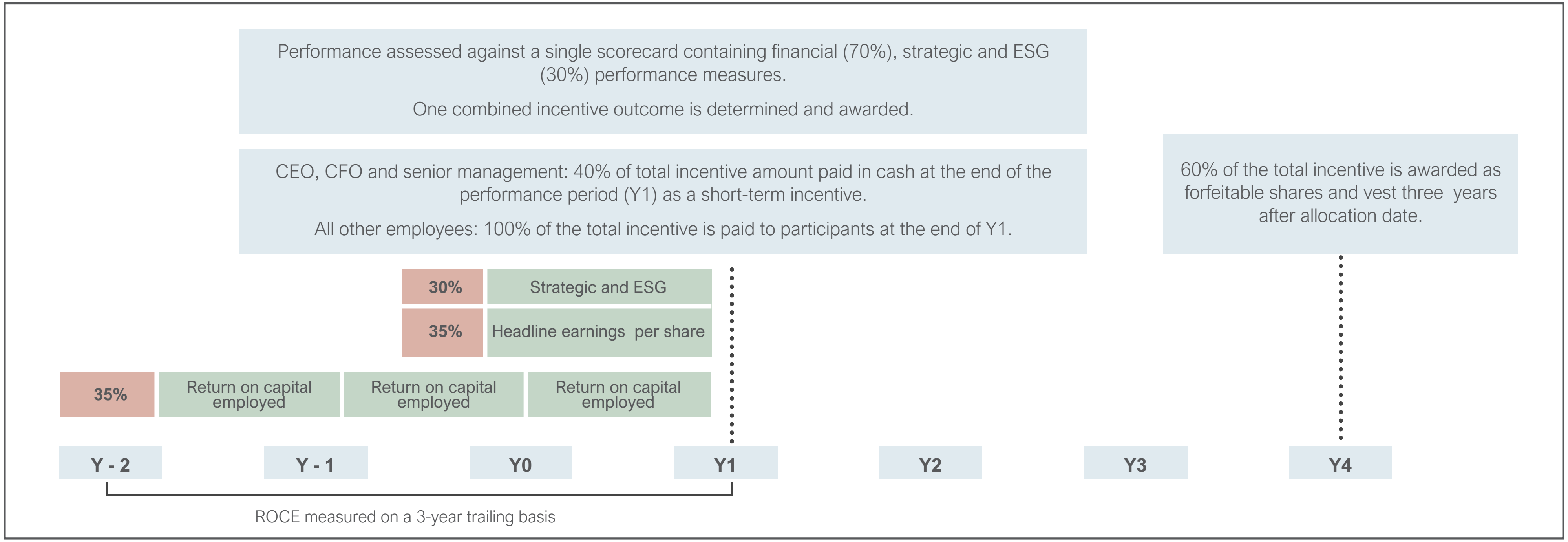
TGP is reviewed annually with reference to comparison with industry peers, independent market surveys, national economic indicators, internal equity, fair pay considerations and the Group's trading performance and affordability. Increases for executive directors are considered within the context of increases awarded across the wider workforce.

Benchmarking is conducted against an appropriate comparator group, and pay is generally positioned with reference to the market having regard to role and performance.

## Our approach to variable pay

### Single Incentive Plan (SIP)

The design and operation of SIP together with the key features are illustrated below.



# Remuneration Report

## Single Incentive Plan policy

| | |
|---|---|
| **SIP design** | The performance conditions, their respective weightings, the measurement periods, the vesting levels, and the cash-to-shares mix set out in this policy, will remain in force for the three-year policy period (FY 2027 to FY 2029). The specific annual targets are set by the committee each year and disclosed in the Implementation Report. The setting of annual targets does not constitute a change to this policy. Should the committee determine that a material change to any of these design features is required, the amended policy will be submitted to shareholders for approval before that change is implemented. |
| **Purpose and link to strategy** | The SIP aims to motivate employees in line with TFG's values, drive key performance metrics, and create stakeholder value. It also promotes transparency, retention and a culture of share ownership by providing mechanisms to increase employee shareholding and align interest with shareholders. |
| **Operation** | A single scorecard is used to determine an annual incentive (cash bonus paid at the end of the performance period) and a deferred incentive (settled in shares). |
| **Combined incentive determination** | Single incentive = (TGP x on-target %) x Business modifier x Personal modifier. |
| **On-target percentage** | The on-target percentages are set for the combined single incentive.<br>CEO: 190%<br>CFO: 150% |

**Business modifier**

| Measure | Link to Group strategy | Weighting | Measurement period |
|---|---|---|---|
| **Financial objectives** | | **70%** | |
| HEPS | B O L T S | 35% | One year |
| Group ROCE | | 35% | Three years (on a trailing basis) |
| **Strategic and ESG objectives** | | **30%** | |
| Strategic priorities | B O L T S | 30% | One year (linked to long-term strategy) |
| ESG objectives | | | |

**Personal modifier**

The single incentive may be adjusted based on the executive's role criticality and individual performance, assessed against pre-agreed individual objectives and leadership behaviours. The modifier is applied within committee-approved limits (25% up or down) and any adjustment is disclosed in the Implementation Report.

| | Annual incentive | Deferred incentive |
|---|---|---|
| **Annual and deferred incentive components** | • 40% of the total incentive. | • 60% of the total incentive. |
| **Settlement and vesting period** | • Settled in cash at the end of the performance period.<br>• Executive directors can elect to have the annual incentive deferred in shares and committed towards their MSR. | • Settled in forfeitable shares shortly after the award date and released after the vesting period.<br>• Executive directors can elect to have the annual incentive deferred in shares and committed towards their MSR. |

**Vesting levels**

- Threshold: 50%
- On-target: 100%
- Stretch: 140%

The Board approves the Group's overall strategy and annual budget, which management present and the executive team implements. These form the basis on which the committee sets targets for the SIP. For more information on how our BOLTS strategy informs the SIP, see page 46.

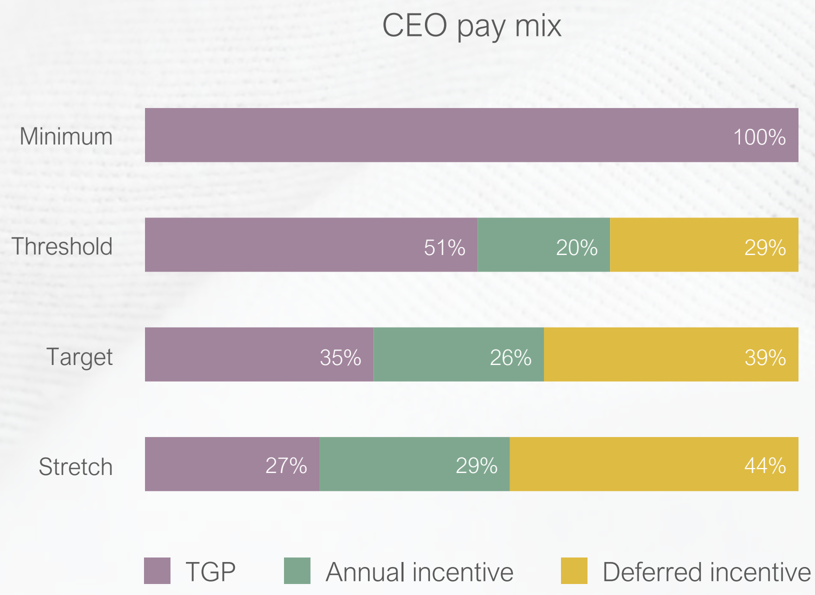
# Remuneration Report

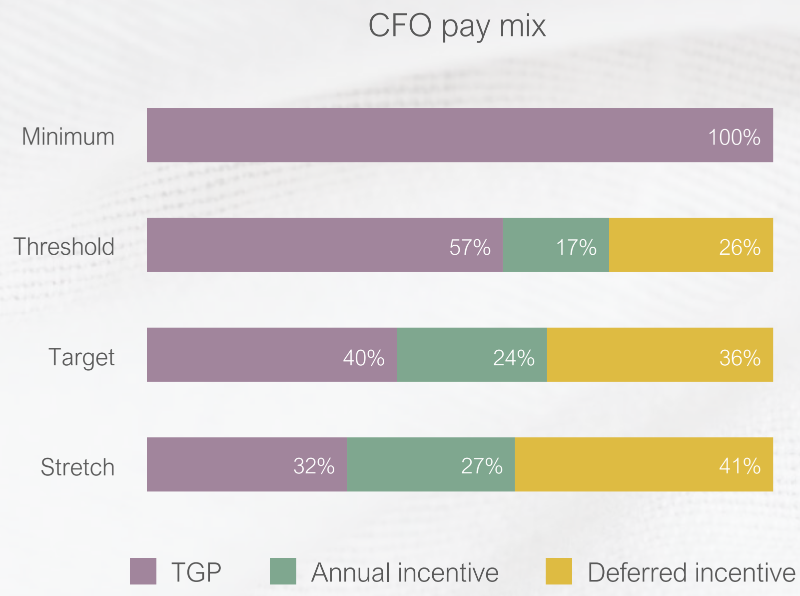
## Executive director pay mix

**Fixed versus performance-linked remuneration**

We aim to pay our executive directors at the upper quartile, taking into consideration the relative complexity, diversity and multi-jurisdictional nature of the business.

A significant proportion of executive directors' remuneration is variable, performance-linked and at risk, reflecting the Group's pay-for-performance philosophy. The illustrative pay mix below shows the proportion of TGP, annual incentive and deferred incentive at minimum, threshold, on-target and stretch performance. Percentages are used (rather than Rand values) because TGP changes annually.




*Minimum: TGP only, no SIP.*
*Threshold: TGP, 50% achievement of SIP.*
*On-target: TGP, 100% achievement of SIP.*
*Stretch: TGP, 140% achievement of SIP.*

# Remuneration Report

## Linking pay to long-term value creation

### Financial target-setting and performance condition rationale

As part of the target-setting process, the Remuneration Committee deliberated to ensure alignment and consistency with the Group's remuneration philosophy of pay-for-performance and long-term value creation.

Key considerations in determining the financial targets included:

- The SIP measures are chosen to align executive reward with the delivery of the BOLTS strategy and with sustainable shareholder value creation.
- HEPS is a direct indicator of shareholder value and earnings potential.
- ROCE, measured over three years, reinforces disciplined, capital-efficient growth, and the strategic and ESG measures (localisation of manufacturing, omnichannel and customer growth, people and transformation and supply chain traceability) underpin the Group's longer-term resilience, competitiveness and social licence to operate.

Financial targets are proposed by management and approved by the committee with input from independent advisers. In setting targets, the committee considers, among other factors:

- the prior year's actual performance;
- the approved budget;
- the Group's medium-term plan;
- analyst and investor expectations;
- peer performance; and
- prevailing economic and trading conditions.

The committee sets a threshold, on-target and stretch level for each financial measure and is satisfied that the targets are sufficiently robust and challenging to reinforce the link between pay and sustainable value creation.

### Our approach to pay and wealth at risk

**Minimum shareholding requirements**

Executive directors are expected to build and maintain an interest in the Group's shares. Accumulation of shares is subject to a maximum period of five years from the introduction of the MSR policy (1 June 2021) or the date of appointment of the executive, whichever is the later.

The following targets, expressed as a percentage of TGP apply:

| | |
|---|---|
| CEO | 300 % |
| CFO | 200 % |
| Executive committee members | 100% |

Several measures are in place, allowing the committee to lapse, reduce unvested or recoup any past incentive payments. In addition, shareholding requirements are in place to reinforce the importance of sustainable long-term performance and alignment.

# Remuneration Report

## Forfeiture and lapse of incentives

### Termination of employment and change of control

In addition to subjecting all incentives to performance conditions, incentives remain at risk if employment is terminated before the payment or vesting date.

Annual incentive: Forfeited in full regardless of the reason for termination of employment.

Deferred incentive:

- *If employment is terminated before award*: Forfeited in full regardless of the reason for termination of employment.
- *If employment is terminated after award*: Termination after the award date of the forfeitable shares will be treated in accordance with the Forfeitable Share Plan (FSP) 2020 scheme rules:
  - Resignation or dismissal: Unvested forfeitable shares will be forfeited.
  - Death, retirement, voluntary retirement, retrenchment, disability, or transfer effected in terms of section 197 of the South African Labour Relations Act: Awards will vest early and pro-rated to take into account the number of completed months served during the vesting period and subject to no further performance conditions imposed.

The Group's executive employment contracts do not contain provisions that compensate executives in the event of a change of control of the Group. In the event of a change of control, the treatment of unvested incentive awards is governed by the relevant scheme rules; the committee retains discretion to determine the treatment of awards, applying the principles of fairness to participants and to shareholders and any such determination would be disclosed in the Implementation Report.

### Malus and clawback

Malus and clawback are governed by the Group's malus and clawback policy. Malus may be applied to unvested or unpaid awards, and clawback to vested or paid awards for a period of three years following payment or vesting. Decisions of the committee on the application of malus or clawback are final and binding.

Any variable pay (relating to present or past variable remuneration awards) may be reduced in whole or in part by the application of the malus and clawback principles, following a trigger event which, in the judgement of the committee, had arisen during the relevant vesting, payout or financial period. Decisions made by the committee regarding the application of malus and/or clawback are final and binding.

- The trigger events for the application of malus and clawback include, but are not limited to:
  - Employee dishonesty, fraud or gross misconduct.
  - A material misstatement of the financial results for the performance or employment period of the award, resulting in an adjustment in the audited Consolidated Annual Financial Statements of TFG (or any employer group).
  - The assessment of any performance metric or condition (where applicable) in respect of an award which was based on error, or inaccurate or misleading information.
  - Any information used to determine the quantum of any incentive, or the number of shares subject to an LTI/deferred award was based on error, or inaccurate or misleading information.
  - Events or behaviour of the employee that had a significant detrimental impact on the reputation of TFG.

## Additional considerations

### Use of scope of committee discretion

The committee may exercise discretion, in an upward or downward direction, where a formulaic application of the policy would produce an outcome misaligned with the Group's performance, the shareholder experience or fairness principles - for example, the assessment of the satisfaction of an annual bonus objective based on progress against an aspect of strategy, or to address unfairly adverse outcomes caused by circumstances beyond executives' control.

In exercising discretion, the committee considers business performance, stakeholder outcomes, market conditions, individual contribution and conduct.

Any upward or downward moderation is subject to a maximum permissible limit of 25% of the calculated outcome. The committee commits to disclosing any use of discretion - including its nature (upward or downward), rationale and monetary impact - in the Implementation Report.

### Restraints and minimum service agreements

The Group has restraint of trade and minimum service agreements in place for key executives. These agreements exist for the duration of employment and contain notice periods of between six and 12 months. In the event of summary dismissal on the grounds of misconduct (for example, dishonest or fraudulent conduct), notice periods do not apply.

### Other pay arrangements

In line with King IV™, the Group does not make *ex gratia* or "golden handshake" payments to executives on severance or retirement.

# Remuneration Report

Where necessary to attract or retain critical executive talent, the committee may, within the following principles, make sign-on, buy-out or retention awards:

- Sign-on or buy-out awards may be made to a newly appointed executive director only to compensate for the forfeiture of awards from a previous employer, structured to mirror (as far as practicable) the value, form, vesting period and performance conditions of the forfeited awards, and not to exceed the value forfeited.
- Retention awards may be made in exceptional circumstances to retain executives with critical or scarce skills, subject to a minimum continued-service period and performance conditions.
- All such awards are approved by the committee, are subject to the Group's malus and clawback provisions, and are disclosed in the Implementation Report.

## Policy effective date and duration

This remuneration policy takes effect from 1 April 2026 and is intended to remain in force for three financial years (FY 2027 to FY 2029).

The policy will be submitted for approval by ordinary shareholders at the 2026 AGM in accordance with section 30A of the Companies Act, and at intervals of three years thereafter.

Should a material change to the policy be required during this period, the amended policy will be submitted to shareholders for approval at a shareholders' meeting called for that purpose, or at the next AGM, before the change is implemented.

## Prior (in-flight) pay arrangements

Incentive awards made before the effective date of this policy (as disclosed in the table on page 50) - including the once-off Share Appreciation Rights (SAR) award and forfeitable share awards granted under the previously applicable (non-binding) remuneration policy and the Forfeitable Share Plan 2020 scheme rules - will continue to be governed by the policy and scheme rules under which they were made, including their performance conditions, vesting periods and settlement terms. These in-flight arrangements are not subject to this policy but will continue to be disclosed in the Implementation Report until they vest, lapse or are settled.

Remuneration Report

# Part 3: Implementation Report

As per the prior year's approved remuneration policy, the Implementation Report outlines the FY 2026 executive remuneration outcomes.

## Total guaranteed pay outcomes

For FY 2026, executive directors received a total guaranteed pay increase of 5% (CEO) and 5% (CFO), determined with reference to the Group's trading performance, the executives' pay positioning against the comparator group, internal equity and the increases awarded across the wider workforce. Benchmarking is performed every two years. No benchmarking was performed in FY 2026.

The wider head office and field workforce received an average increase of 5,5% in FY 2026. Stores received an average increase of 5,5% and DC employees an average increase of 6,0%.

## Outcome of the Single Incentive Plan for FY 2026

The assessment of the financial targets (70% weighting) and strategic and ESG targets (30% weighting) that were set at the start of the financial year are disclosed below.

| | | Performance targets for FY 2026 | | | | Outcomes for FY 2026 | | |
|---|---|---|---|---|---|---|---|---|
| **Link to strategy** | **Measure** | **Weighting** | **Threshold (50%)** | **Target (100%)** | **Stretch (140%)** | **Actual outcome** | **Resultant score** | **Weighted outcome** |
| Financial priorities | | | | | | | | |
| BOLTS | Group HEPS | 35,0% | 1 015,6c | 1 066,4c | 1 132,4c | 675,4c | 0% | 0% |
| BOLTS | Group ROCE | 35,0% | 13,5% | 14,0% | 14,5% | 10,9% | 0% | 0% |
| Strategic and ESG priorities | | | | | | | | |
| S Sustain | People and transformation | 5,0% | 50% | 100% | 140% | 120% | 120% | 6,0% |
| S Sustain | Traceability of supply | 2,5% | 50% | 100% | 140% | 140% | 140% | 3,5% |
| L Leverage | Customer | 5,0% | 50% | 100% | 140% | 140% | 140% | 7,0% |
| O Optimise | Localisation of manufacturing | 10,0% | 50% | 100% | 140% | 113% | 113% | 11,3% |
| T Transform | Omnichannel revenue | 7,5% | 50% | 100% | 140% | 140% | 140% | 10,5% |
| | **Total formulaic vesting** | | | | | | | 38,3 % |
| | **Total actual vesting**[1] | | | | | | | 0% |

*[1] The Single Incentive outcome was 38,3%, which Remco reduced by the maximum permissible moderation of 25%. In the context of the Company's below-expected financial performance and significant relative share price decline versus the sector, Remco initiated a discussion with the CEO and CFO. Following this engagement, it was agreed that the CEO and CFO would forgo any incentive relating to FY 2026. The outcome is considered appropriate given the performance delivered and aligns with the expectations of shareholders.*

# Remuneration Report

Further details regarding the strategic and ESG outcomes are provided in the table below:

| Strategic and ESG priorities | Weighting | Targets | Comment |
|---|---|---|---|
| People and transformation | 5,0% | • Create jobs via acquisition and organic growth in stores and factories. | • 2 757 workplace opportunities via learners and interns against 2 600 stretch target.<br>• Maintain B-BBEE Level 2 target. |
| Procurement | 2,5% | • Traceability of supply. | • 80% of Tier 2 clothing and soft accessories fabric mills mapped against a target of 70%. |
| Localisation of manufacturing | 10,0% | • Local sourcing and manufacturing to support a Denim strategy. | • Completion of Denim Laboratory and integration of denim factories under a single operating model.<br>• 5,3 million units on-shored against a target of 4,7 million. |
| Omnichannel | 7,5% | • In-store generated sales via Bashstore. | • R550 million of sales generated via Bashstore against a stretch target of R391 million. |
| Customer | 5,0% | • Increase total active Reward base. | • Total active Reward base increased to 15,7 million customers against a stretch target of 15,3 million. |

# Remuneration Report

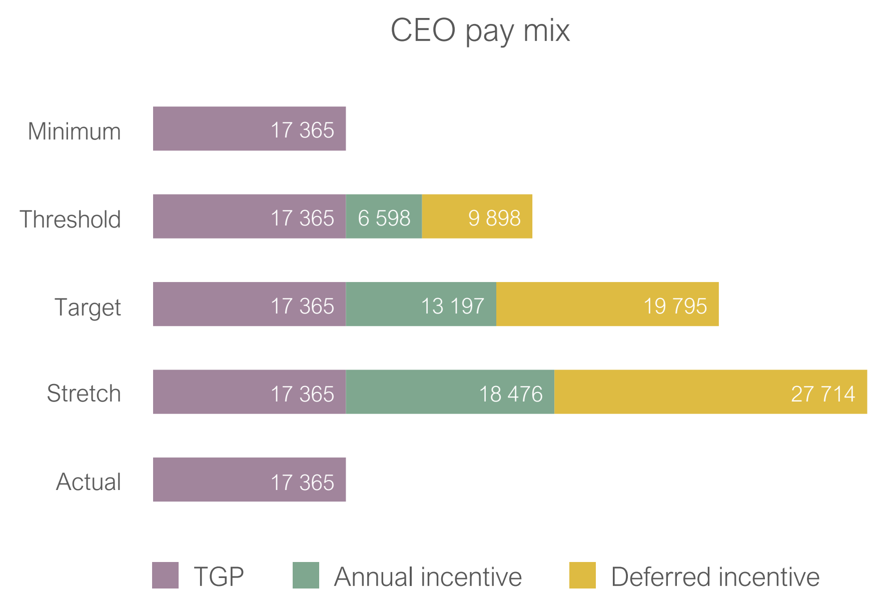
## Calculation of single incentive outcomes

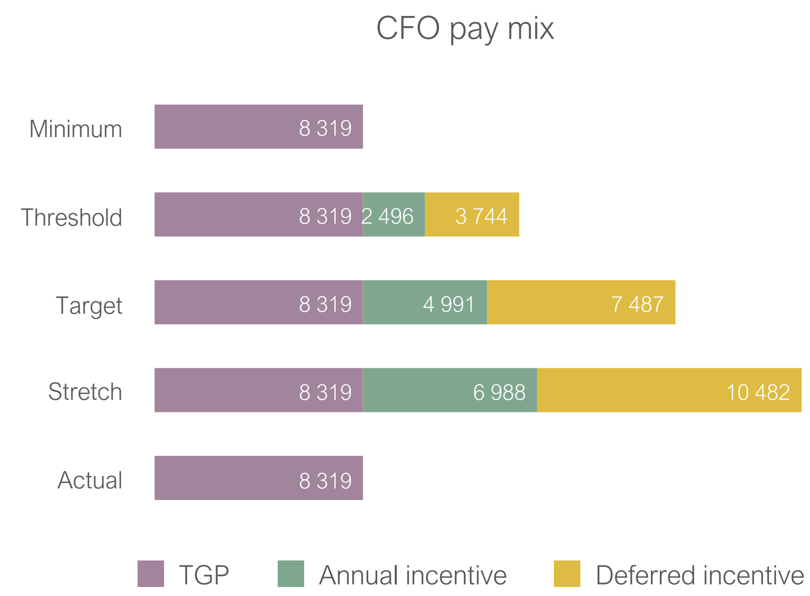
The final outcomes of the single incentive were calculated as follows:

| Director | TGP Rm | On-target % | Business modifier | Personal modifier* | Total incentive (A x B x C x D) Cash (40%) Rm | Total incentive (A x B x C x D) Deferred (60%) Rm |
|---|---|---|---|---|---|---|
| | A | B | C | | | |
| A E Thunström | 17 365 | 190% | 38,3% | (25)% | 0 | 0 |
| R R Buddle | 8 319 | 150% | 38,3% | (25)% | 0 | 0 |

** Outcome was 38,3%, which the Remco reduced by the maximum permissible moderation of 25%. In light of the Company's financial performance, the CEO and CFO, in consultation with Remco, elected to forgo any incentive payout for FY 2026.*

The graphs below show the FY 2026 actual remuneration outcomes against potential remuneration opportunity, and the split between fixed and performance-based remuneration.




*Minimum: TGP only, no SIP.*
*Threshold: TGP, 50% achievement of SIP.*
*On-target: TGP, 100% achievement of SIP.*
*Stretch: TGP, 140% achievement of SIP.*

# Remuneration Report

## Executive directors' single-figure remuneration

| Executive directors | Salary R'000 | Benefits[1] R'000 | Guaranteed pay R'000 | Annual incentive (STI) R'000 | Deferred incentive (LTI) R'000 | Dividends R'000 | Total remuneration R'000 |
|---|---|---|---|---|---|---|---|
| | 2026 | | | | | | |
| A E Thunström | 16 884 | 481 | 17 365 | – | – | 1 131 | 18 496 |
| R R Buddle | 7 879 | 440 | 8 319 | – | – | 167 | 8 486 |
| Total | 24 763 | 921 | 25 684 | – | – | 1 298 | 26 982 |

The Single Incentive outcome was 38,3%, which Remco reduced by the maximum permissible moderation of 25%. In the context of the Company's below-expected financial performance and significant relative share price decline versus the sector, Remco initiated a discussion with the CEO and CFO. Following this engagement, it was agreed that the CEO and CFO would forgo any incentive relating to FY 2026. This outcome is considered appropriate given the performance delivered and aligns with the expectations of shareholders.

| Executive directors | Salary R'000 | Benefits[1] R'000 | Guaranteed pay R'000 | Annual incentive (STI) R'000 | Deferred incentive[2] (LTI) R'000 | Dividends R'000 | Total remuneration R'000 |
|---|---|---|---|---|---|---|---|
| | 2025 | | | | | | |
| A E Thunström | 16 064 | 474 | 16 538 | 10 859 | 16 289 | 1 076 | 44 762 |
| R R Buddle | 7 491 | 409 | 7 900 | 4 108 | 6 162 | – | 18 170 |
| Total | 23 555 | 883 | 24 438 | 14 967 | 22 451 | 1 076 | 62 932 |

*1 Benefits include retirement fund contributions.*
*2 Deferred incentive comprises the following:*
- *Shares awarded in terms of the FY 2024 single incentive to vest equally in June 2026 and June 2027*
- *Shares awarded in terms of the FY 2025 single incentive to vest in June 2028*

## MSR compliance status

| | Required to hold by | Target shares to hold | Actual holding as at FY 2026 | % compliance |
|---|---|---|---|---|
| A E Thunström | FY 2026 | 335 909 | 482 179 | 143,5 % |
| R R Buddle | FY 2029 | 149 056 | – | – % |

## Malus and clawback

No malus or clawback trigger events occurred during FY 2026 and accordingly, no malus or clawback was applied to any incentive award during the year.

# Remuneration Report

## Executive directors' participation in share schemes

Shares purchased and options granted to executive directors in terms of the Group's share schemes which had not been exercised at 31 March 2026 are set out below.

| | Date of award | Financial year awarded | Financial year earliest vesting | Unvested balance as at 31 March 2025 '000's | Awarded '000s | Strike price Rands | Sold/ transferred '000's | Unvested balance as at 31 March 2026 000s | Dividends received on unvested shares R'000 | Indicative value of unvested shares* R'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| A E Thunström | | | | | | | | | | |
| FSP | 30 June 2022 | 2023 | 2026 | 56,9 | | | 56,9 | – | | |
| | 30 June 2023 | 2024 | 2026 | 77,7 | | | 77,7 | – | | |
| | 30 June 2023 | 2024 | 2027 | 77,7 | | | | 77,7 | 223,8 | 5 851,6 |
| | 30 June 2024 | 2025 | 2027 | 63,8 | | | | 63,8 | 183,7 | 4 804,8 |
| | 30 June 2024 | 2025 | 2028 | 63,8 | | | | 63,8 | 183,7 | 4 804,8 |
| | 30 June 2025 | 2026 | 2029 | | 153,7 | | | 153,7 | 442,6 | 11 572,7 |
| SARs | 19 December 2024 | 2025 | 2029 | 1 600,0 | | 152,0 | | 1 600,0 | | – |
| Deferred shares | 30 June 2021 | 2022 | 2025 | 33,8 | | | | 33,8 | 97,5 | 4 433,7 |
| **Total** | | | | 1 973,7 | 153,7 | 152,0 | 134,6 | 1 992,8 | 1 131,3 | 31 467,6 |
| | | | | | | | | | | |
| R R Buddle | | | | | | | | | | |
| FSP | 30 June 2025 | 2026 | 2029 | | 58,1 | | | 58,1 | 167,4 | 4 378,0 |
| SARs* | 19 December 2024 | 2025 | 2029 | 825,0 | | 152,0 | | 825,0 | | – |
| **Total** | | | | 825,0 | 58,1 | 152,0 | — | 883,1 | 167,4 | 4 378,0 |

* *Indicative value based on the 30-day VWAP of R75,31 as at 31 March 2026.*

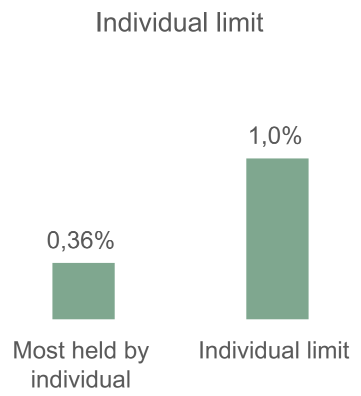
# Remuneration Report

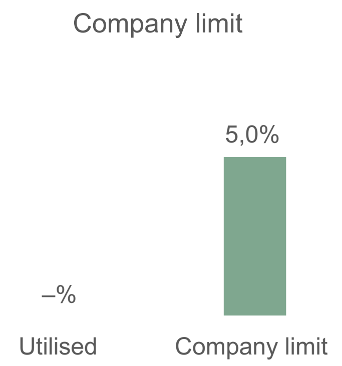
## Current allocation versus policy limits

As at 31 March 2026, issued share capital comprised 331 027 300 shares. In terms of the FSP, the maximum aggregate number of shares that may be awarded to participants collectively, per the LTI provisions, may not exceed 16 551 365 shares, representing 5% of TFG's total issued share capital. The maximum number of shares that may be awarded to any one participant is 3 310 273 shares, representing 1% of issued share capital.

Awards are settled through the purchase of shares on-market and do not result in the issue of new shares. Similarly, the once-off SAR award may also only be settled through the on-market purchase of shares. Accordingly, neither the FSP awards nor the once-off SAR award dilutes existing shareholders' voting power or economic interests.

In-flight awards that remain to be settled, both in aggregate and on an individual participant basis, are well within the defined limits. The CEO is the highest individual holder of share awards and has therefore been assessed against the individual limit.




## FY 2027 guaranteed pay increases

As approved for FY 2027, the guaranteed pay increase for executive management is 0%. Management and head office pay increased on average by 2,0% (FY 2025: 5,0%) and store and distribution centre salaries increased on average by 5,0% (FY 2025: 5,5% (stores) and 6,0% (DC)). These decisions reflect the Group's trading performance and affordability while protecting the lowest-paid employees.

## FY 2027 financial target setting

In setting the FY 2027 financial performance conditions, the committee sought targets that are demonstrably stretching and aligned with the shareholder experience, while remaining achievable enough to retain and motivate the executive team through the recovery. FY 2027 was a materially reset base, HEPS of 675,4 cents was 33,5% below the prior year and ROCE of 10,9% fell below the cost of capital, reflecting a cyclical demand contraction, margin pressure and brand impairments rather than a structural impairment of earnings power.

The targets were informed by a multi-lens process: a detailed bottom-up budget built at brand and business-unit level and approved by the Board of Directors; external sell-side consensus, which pointed to FY 2027 HEPS broadly flat on the prior year, reflecting an expectation of stabilisation rather than recovery; and a peer comparison of listed apparel and lifestyle retailers, which showed HEPS growth across the sector to have been broadly flat over the cycle amid negative comparable sales and persistent margin pressure.

The committee also considered the geographic composition of the Group's earnings, recognising that its territories are at different points in their respective cycles and carry materially different weightings in the consolidated HEPS outcome. Expected growth rates were assessed on a per-territory basis and weighted according to each region's contribution to Group earnings, so that the aggregate performance conditions reflect a considered, bottom-up view of where growth is most and least likely to arise rather than a single blended assumption applied uniformly across the portfolio. This geographic lens is used only to inform the calibration and reasonableness of the targets and does not constitute, and should not be read, as an earnings forecast for any individual territory or for the Group.

On this basis, the committee approved the following structure. The threshold was set at 810,0 cents (20% growth on the FY 2026 base). The committee is explicit that a 20% earnings-growth threshold is highly stretching, exceeding both consensus and recent peer delivery. On a flat-revenue basis it would require over R1 billion of cost reduction which is an enormous undertaking, and threshold vesting will by no means be a formality. The target was anchored at 1 015,6 cents, the FY 2025 actual, so that full vesting is payable only on a complete recovery to prior peak earnings. The stretch was set at 1 110,0 cents, 10% above target. ROCE conditions were anchored to the cost of capital at 13,0% / 13,5% / 14,5%, with no vesting on the returns measure below WACC.

# Remuneration Report

FY 2027 incentive targets:

| Link to strategy | Measure | Rationale | Weighting | Targets |
|---|---|---|---|---|
| **Financial performance (measured over one year)** | | | | |
| B O L T S | Group HEPS | Underlying profit is a key measure of shareholder value and future earnings potential | 35,0% | Threshold: 810,0c<br>Target: 1 015,6c<br>Stretch: 1 110,0c |
| **Financial performance (three years - on a trailing basis)** | | | | |
| B O L T S | Group ROCE | Effective use of capital results in sustainable profits and growth | 35,0% | Threshold: 13,0%<br>Target: 13,5%<br>Stretch: 14,5% |
| **Strategic and ESG priorities** | | | | |
| S | People and transformation | Meeting the Employment Equity Plan for FY 2027 | 2,5% | |
| S | Procurement | Traceability of supply | 2,5% | 85% target FY 2027 |
| O | Localisation of manufacturing | Growth in Denim units | 5,0% | |
| L | Customer | Growth in Omni customers | 10,0% | To be retrospectively disclosed due to commercial sensitivity. |
| T | Omnichannel revenue | Improve the profitability of Bash, enabled by in-store generated sales (assisted selling on Bash) | 10,0% | |

The committee is satisfied that this structure is defensible to shareholders and credible to management: it requires genuine growth from the current base, reserves full payout for a return to prior peak, and retains committee discretion, informed by peer-relative performance and TSR, as a final fairness overlay. The targets are used for remuneration purposes only and do not constitute an earnings forecast.

## Non-executive directors

Non-executive director fees are reviewed annually, and approved changes are effective 1 October of each year. The proposed non-executive director fees (VAT exclusive) per role as from 1 October 2026 to 30 September 2027 are detailed in the Notice of AGM.

The actual fees (VAT exclusive) paid for FY 2026 and FY 2025 are based on committee memberships in the year.

| Non-executive directors | Fees paid in respect of FY 2026 Rand | Fees paid in respect of FY 2025 Rand |
|---|---|---|
| M Lewis | **1 779 850** | 1 695 096 |
| Prof F Abrahams[1] | **–** | 452 866 |
| E Oblowitz | **1 059 093** | 1 434 070 |
| N Simamane[1] | **–** | 422 886 |
| B L M Makgabo-Fiskerstrand | **988 038** | 889 341 |
| D Friedland | **852 493** | 891 736 |
| R Stein | **835 701** | 1 060 488 |
| G H Davin[2] | **1 352 686** | 1 014 040 |
| C Coleman[3] | **912 735** | 789 422 |
| J N Potgieter[4] | **1 312 487** | 1 033 502 |
| N L Sowazi[5] | **841 883** | 485 928 |
| A D Murray[6] | **1 015 480** | 2 308 852 |
| B S M Backman[7] | **355 004** | – |
| G C Zondi[7] | **823 753** | – |

*[1] Prof F Abrahams and N Simamane resigned from the Board on 5 September 2024.*
*[2] G H Davin was appointed as Nomination Committee Chairperson effective 12 June 2025.*
*[3] C Coleman was appointed as a member of the Remuneration Committee effective 12 June 2025.*
*[4] J N Potgieter was appointed as the Chairperson of the Audit Committee effective 12 June 2025.*
*[5] N L Sowazi was appointed as a member and Chairperson of the Remuneration Committee effective 12 June 2025.*
*[6] A D Murray retired from the Board on 4 September 2025.*
*[7] G C Zondi and B S M Backman were appointed to the Board, effective 12 June 2025 and 1 September 2025, respectively.*

# Remuneration Report

## Confirmation of policy compliance

The committee confirms that the remuneration policy was implemented during FY 2026 as approved by shareholders, with no material deviations, save for the committee's exercise of downward discretion in respect of the FY 2026 SIP outcome (a 25% downward moderation, following which the CEO and CFO elected to forgo their incentive). This use of discretion is disclosed in full in the background statement and in the calculation of the single incentive outcomes.

## The fair pay gap

TFG's pay gap ratio is disclosed in accordance with Section 30B of the Companies Amendment Act 16 of 2024. To provide meaningful context, it is worthwhile noting that TFG operates high-volume environments which employ a large proportion of unskilled and semi-skilled workers, particularly in our manufacturing, stores and DC operations, which naturally influences the shape of our pay distribution. To provide a view more reflective of the wider workforce, we've excluded learners and interns. Due to their distinct pay arrangements and the short-term nature of their employment contracts, the inclusion of learners and interns would be more likely to obscure than illuminate the pay gaps the legislation is designed to identify and address.

The remuneration disclosures below are presented across two measures - (1) on-target total remuneration, reflecting the earning opportunity available to employees, and (2) actual total remuneration earned during FY 2026.

| | All employees[3] | |
|---|---|---|
| **Disclosure [2]** | **TGP** | **Actual[1]** |
| Wage gap ratio | 14,08x | 16,70x |
| Highest paid | R17 364 372 | R45 346 662 |
| Lowest-paid | R62 877 | R62 877 |
| Average | R153 140 | R170 936 |
| Median | R86 069 | R94 439 |

*[1] Actual total remuneration reflects actual total remuneration received in cash during the year including all incentives, commissions, bonuses and proceeds from share vestings during the period.*
*[2] Remuneration is annualised and normalised.*
*[3] All South African employees active as at 31 March 2026, excluding interns and learners.*

# Remuneration Report

## Creating opportunities for our people

For the second consecutive year, TFG is pleased to report on the hourly earning potential of our store employees, reflecting our philosophy to pay the sector minimum whilst creating meaningful opportunities to earn above it.

In FY 2026, total base pay increased by 5% to R39,36 per hour, with total guaranteed pay before incentives rising to R57,34 per hour – a monthly equivalent of R9 940. When incentive earnings are included, our highest-earning 1 000 store employees achieved a total of R87,57 per hour in FY 2026, increasing total remuneration by 8% from FY 2025. This represents a potential monthly earning of R15 179, which aligns with the living wage benchmark of R15 000 per month.

TFG believes this model – anchoring base pay in regulatory compliance while extending the ceiling through performance – reflects a responsible and commercially sustainable approach to addressing wage inequality in the retail sector.

| Total earning opportunity | Monthly earning potential | Base before incentives | Living wage benchmark |
|---|---|---|---|
| **R87,57/hr** | **R15 179** | **R9 940/mo** | **R15 000/mo** |
| FY 2025: R80,91 ↑ **8%** | FY 2025: R14 040 | FY 2025: R9 500 ↑ **5%** | ✓ **Achieved by top 1 000** |

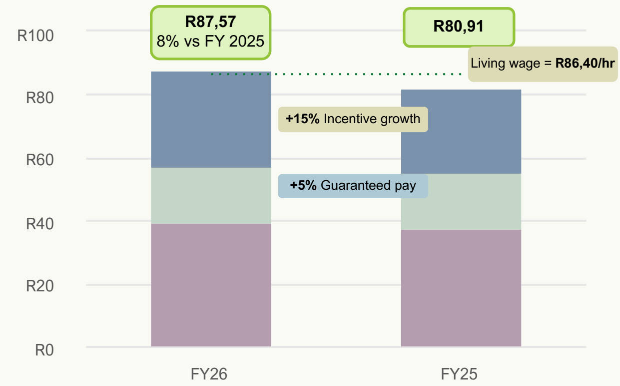
### RATE PER HOUR

| Pay element | FY 2026 | FY 2025 | % Chg |
|---|---|---|---|
| Base pay | 39,36 | 37,49 | 0,05 |
| Total before incentives | 57,34 | 54,54 | 0,05 |
| Incentive (top 1 000) | 30,23 | 26,37 | 0,15 |
| **Total – top 1 000** | **87,57** | **80,91** | **0,08** |

**Living wage achieved**

Top 1 000 store employees earn R15 179/month – meeting the R15 000 living wage benchmark through revenue performance incentives.

### HOURLY EARNING OPPORTUNITY — FY 2026 VS FY 2025




The diagram below depicts the various environments within TFG Africa and outlines the earnings opportunities over and above the guaranteed pay structure applicable to employees in each environment.

| | | TFG Environment and Earning Opportunities | | | | | |
|---|---|---|---|---|---|---|---|
| TFG environment | Staff complement | Guaranteed pay | Single incentive | Gain share incentive | Store incentive | Commission | Other incentives |
| **Head office** | **8%** | ● | ● | ● | | | |
| **Stores** | **71%** | ● | | | ● | ● | |
| **Manufacturing** | **9%** | ● | | ● | | | ● |
| **Distribution centre** | **2%** | ● | | ● | | | ● |
| **Contact centre** | **4%** | ● | | | | | ● |
| **Youth programmes** | **6%** | ● | | | ● Where applicable | | |

# Appendices

In this section

# Abbreviations and acronyms

| | |
|---|---|
| **A2X** | A stock exchange based in South Africa |
| **AI** | Artificial intelligence |
| **AGM** | Annual General Meeting |
| **B-BBEE** | Broad-Based Black Economic Empowerment |
| **BOLTS** | TFG's Strategic Pillars: Build out, Optimise, Leverage, Transform, Sustain |
| **Board** | Non-executive and executive directors of TFG |
| **CEO** | Chief Executive Officer |
| **CFO** | Chief Financial Officer |
| **Capex** | Capital expenditure |
| **Companies Act** | Companies Act of South Africa, No. 71 of 2008, as amended |
| **Concessions** | Concession arrangements with key department store where an agreed floor space area is occupied. Applicable to TFG London and TFG Australia |
| **EBIT** | Earnings, excluding acquisition costs, before finance costs and tax |
| **ERM** | Enterprise Risk Management |
| **ESG** | Environmental, Social and Governance |
| **Executive directors** | CEO and CFO |
| **Financial year** | 1 April to 31 March |
| **Group Executive** | CEO, CFO and executive management |
| **Governance Report** | Detailed information on governance aspects aligned with the King IV™ principles |
| **GNU** | Government of National Unity in South Africa |
| **GRC** | Governance, Risk and Compliance |
| **HEPS** | Headline earnings divided by the weighted average number of shares in issue for the year |
| **IAR** | Integrated Annual Report |
| **IFRS** | IFRS® Accounting Standards |
| **ILR** | Inspired Living Report |
| **JSE** | Johannesburg Stock Exchange based in South Africa |
| **King IV™** | King IV Report on Corporate Governance™ for South Africa, 2016 |
| **LTI** | Long-term incentive |
| **Market capitalisation** | Market price per share at year-end multiplied by the number of ordinary shares in issue at year-end |

# Abbreviations and acronyms

| | |
|---|---|
| **Omnichannel** | Describes the integrated multi-channel retailing (e-commerce, online sales, mobile app sales and stores) |
| **Operating margin** | Operating profit before finance costs expressed as a percentage of retail turnover |
| **Outlets** | Combination of stores and concessions |
| **QR** | Quick Response Manufacturing, using own local manufacturing factories |
| **R-CTFL** | Retail, clothing, textile, footwear and leather |
| **R-CTFL masterplan** | Initiative by the Department of Trade Industry and Competition that aims to grow the South African retail industry with focus on clothing, textile, footwear and leather in collaboration with retailers, manufacturers, workers and government |
| **ROCE** | EBIT divided by average capital employed |
| **Rm** | SA Rand millions |
| **SA** | South Africa |
| **SDGs** | Sustainable Development Goals |
| **STI** | Short-term incentive |
| **Stacks** | Merchandise segments: Sports and lifestyle, Ladies and family, Men's fashion, Value, and Speciality |
| **TFG** | The Foschini Group Limited, listed on the JSE |
| **TFG Africa** | Reporting segment trading in South Africa, Botswana, Eswatini, Lesotho, Namibia and Zambia |
| **TFG Australia** | Reporting segment trading in Australia and New Zealand |
| **TFG London** | Reporting segment primarily trading in UK and Ireland, with other operations in USA, Mexico, selected EU countries, Hong Kong and Japan |
| **TFG Rewards** | Customer loyalty programme for South African customers |
| **UK** | United Kingdom |
| **VAS** | Value-added services |
| **VAT** | Value-added tax in South Africa |
| **VWAP** | Volume weighted average price |
| **YES** | Youth Employment Service programme in SA |
| **ZAR** | South African Rand |

# Company information and shareholder calendar

## Company information

### The Foschini Group Limited
Registration number 1937/009504/06
JSE and A2X codes: TFG – TFGP
ISIN: ZAE000148466 – ZAE000148516
LEI: 3789PT07LG718IG59F97

### Registered office
Stanley Lewis Centre
340 Voortrekker Road
Parow East 7500
South Africa

### Head office
Stanley Lewis Centre
340 Voortrekker Road
Parow East 7500
South Africa
Telephone +27(0) 21 938 1911

### Company Secretary
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Stanley Lewis Centre
340 Voortrekker Road
Parow East 7500
South Africa
PO Box 6020, Parow East 7501
South Africa

### Sponsor
RAND MERCHANT BANK
(a division of First Rand Bank Limited)
1 Merchant Place
Cnr Fredman Drive & Rivonia Road
Sandton
2196

### Auditors
Deloitte & Touche

### Attorneys
Baker & McKenzie Inc.

### Principal banker
First Rand Bank Limited

### Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
South Africa
Telephone +27(0) 11 370 5000

### Website
www.tfglimited.co.za

## Shareholders’ calendar

| | |
|---|---|
| Financial year-end | Tuesday 31 March 2026 |
| Integrated Annual Report publication date | Thursday 30 July 2026 |
| Annual General Meeting (89th) | Thursday 3 September 2026 |
| Interim profit announcement (FY 2027) | Friday 6 November 2026 |

Queries regarding the report can be directed to D van Rooyen (Company Secretary) – email company_secretary@tfg.co.za.

www.tfglimited.co.za

@home
@homelivingspace
AmericanSwiss
ARCHIVE
AXL+CO
bash
BEAUTY
CONNOR
CORICRAFT
Dial-a-Bed
1896
EXACT
FABIANI
THE FIX
FOSCHINI
GALAXY CO
Granny Goose
G-STAR RAW
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HOBBS LONDON
Inside Story
JD
Jet
Jet HOME
Johnny Bigg
MARKHAM
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Phase Eight
RELAY JEANS
RFO
ROCKWEAR
SNEAKER FACTORY
sportscene
STERNS
TAROCASH
TOTALSPORTS
VOLPES
WHISTLES
WHITE STUFF
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