



KING IV™
APPLICATION REGISTER

2026

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King IV™ Application Register

The Board of Directors of Mustek Limited (“the Board”) views good corporate governance as a key enabler of sustainable value creation and long-term business success. The Board is committed to ethical and effective leadership, sound decision-making and maintaining an appropriate balance between performance, accountability and responsible corporate citizenship.

Through its governance framework, the Board seeks to promote transparency, integrity and stakeholder confidence while supporting the achievement of the Group’s strategic objectives. The Board therefore presents this King IV™ Application Register for the financial year ended 30 June 2026, outlining the Group’s application of the King IV™ principles and practices.

King V™ is the latest in South Africa’s corporate governance framework and was issued in 2025. It builds on King IV, providing an outcomes-based approach to promoting ethical and effective leadership, with a focus on sustainable value creation, sound governance practices, and stakeholder trust. The Group has undertaken a gap analysis against the King V™ principles and recommended practices, and the outcomes will inform a structured implementation plan, with adoption targeted for the 2027 financial year.

Principle 1

The Board should lead ethically and effectively.

The Board is committed to leading the Group ethically, responsibly and with integrity. The Group promotes a strong ethical culture through its Code of Ethics and Business Conduct, which sets the standard for acceptable conduct and guides decision-making across the organisation. The Code is reviewed periodically to ensure its continued relevance and alignment with the Group’s values, strategic objectives and regulatory obligations.

Directors are expected to act in the best interests of the Group and to demonstrate the highest standards of honesty, accountability, fairness and professionalism in fulfilling their duties. The Board seeks to ensure that business activities are conducted responsibly, with due regard for the economic, social and environmental impacts of the Group’s operations, while maintaining compliance with applicable laws, regulations and governance standards.

The Board operates in a manner that encourages constructive challenge, open debate and independent judgement. Directors actively participate in Board and Committee meetings, receive sufficient information to support informed decision-making, and have the opportunity to raise concerns and contribute meaningfully to deliberations.

Principle 2

The Board oversees the Group’s ethics in a way that supports establishing an ethical culture.

The Code of Ethics and Business Conduct is included in new employees’ induction and other regular training programmes and is available on the Company’s website at www.mustek.co.za. Ethics are also part of our recruitment process, performance evaluation, employee rewards, and supplier sourcing.

The Company and its Officers are committed to acting in good faith and in the best interest of the Company at all times. The Company formally confirms its interests annually. Declaration of interests is a standard agenda item, and the minutes capture specific declarations of interest.

During the reporting period, ethical leadership remained a focus area of the Board and the Social and Ethics Committee. Most employees and directors completed ethics training. The Social and Ethics Committee reviewed whistleblowing trends and ethical culture indicators, and used a Group People Survey and 360-degree leadership assessments to monitor organisational culture and leadership effectiveness. The Group received 2 whistleblowing reports during the reporting period.

Principle 3

The Board ensures that the organisation is and is seen to be a responsible corporate citizen.

The Board recognises that responsible corporate citizenship is integral to the Group’s ability to create sustainable value. In carrying out its responsibilities, the Board considers not only the Group’s financial performance, but also the impact of its operations on the economy, society and the environment.

The Social and Ethics Committee oversees corporate citizenship and monitors and reports to the Board on key social, ethical, environmental and transformation matters. During the reporting period, the Committee oversaw Corporate Social Investment initiatives, including educational support programmes, bursaries and computer laboratory projects. It monitored their impact on the communities in which the Group operates.

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Principle 3 (continued)

The Committee also reviewed environmental, social and governance (ESG) matters, including energy consumption, carbon footprint reporting, waste management, health and safety performance, B-BBEE progress, transformation and employment equity initiatives.

The Board monitors compliance with the Code of Ethics and Business Conduct through various governance processes and reporting mechanisms, including the whistleblowing hotline, risk management activities, internal audit reviews and reports submitted to the Social and Ethics Committee and Audit and Risk Committee. The Board receives regular feedback and takes appropriate remedial action when it identifies ethical or compliance concerns. No material ethical leadership or corporate citizenship deficiencies were reported during the year.

Principle 4

The Board appreciates that the organisation's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board believes sound Governance practices are fundamental to earning stakeholders' trust and critical to sustaining performance and preserving Shareholder value.

The Board is responsible for approving the Group's strategy and overseeing its implementation. It monitors performance against strategic objectives and considers the risks and opportunities associated with achieving those objectives.

The Board strives to balance the interests of the Group and those of its various material Stakeholders. All directors continuously take steps to ensure that they have a sufficient working knowledge of the Group and the industry in which it operates. Directors are required to continue developing their competencies to lead effectively, act with due care, skill and diligence and take reasonable steps to become informed about matters for decision-making.

Through the Risk Management Plan, the Group identifies and outlines material strategic business and sustainability risks in the risk register, and implements mitigating controls to manage them.

During the year, the Board reviewed and approved strategic priorities aimed at improving profitability, optimising capital allocation and expanding the Group's services capability. Strategic focus areas included:

- improving profitability within the core distribution businesses;
- evaluating consolidation opportunities between Mustek and Rectron;
- growing CyberAntix and Business AI;
- optimising investments in associates;
- reducing exposure to underperforming assets; and
- improving return on equity and cash generation.

Principle 5

The Board ensures that the organisation's reports enable Stakeholders to make informed assessments of its performance and its short, medium, and long-term prospects.

The Board oversees reports to Stakeholders that comply with legal requirements and include true, accurate and reasonable information. The Audit and Risk Committee is delegated this function and recommends it to the Board for approval. The Committee formally determines materiality issues and reports them accordingly.

The Integrated Annual Report and Annual Financial Statements are prepared in consultation with internal and external advisers to ensure compliance with the relevant legislation and regulations and to ensure that Shareholders and Stakeholders alike can ascertain whether the Group's affairs are managed competently.

Through the Audit and Risk Committee and the Social and Ethics Committee, the Board assesses its performance to enable Stakeholders to make informed assessments of the Group's performance and value prospects in the short, medium, and long-term.

The Group publishes external reports, including the Integrated Annual Report, on its website.

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Principle 6

The Board serves as the focal point and custodian of Corporate Governance in the organisation.

The Board is the focal point and custodian of the Group's corporate governance. The Board maintains a clear division of responsibilities between directors to ensure no single Director has unfettered decision-making power. A Delegation of Authority framework is in place and reviewed regularly to ensure management has the authority needed to implement and execute the strategy.

The directors have access to the advice and services of the Company Secretary. They are entitled, at the Company's discretion, to seek independent professional advice about the affairs of the Company or the execution of their duties as directors. Board Committees are also entitled to obtain independent professional advice on any issue within their scope, subject to following a board-approved process.

A Board Work Plan and committee Terms of Reference ensure that all relevant Governance matters are addressed during the year. The Board provides feedback on the delegated task at the next meeting and records it in the meeting minutes.

During the reporting period, the Board reviewed and approved an updated Delegation of Authority Framework to ensure continued role clarity and appropriate delegation throughout the Group. The Board Work Plan continued to guide the discharge of governance responsibilities and is being updated to reflect King V implementation milestones.

Principle 7

The Board comprises the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its Governance role and responsibilities objectively and effectively.

At year-end, the Board consisted of four independent non-executive directors and three executive directors. The Board's composition aligns with the principles of King IV™ as most directors are non-executive and all non-executive directors are independent.

The Chairperson of the Board is an independent non-executive director, and the role is separate from that of the Group's Chief Executive Officer. The Chairperson is supported by the lead independent, Ralph Patmore. The Group Chief Executive Officer, Mustek Operations Managing Director and Group Financial Director are members of the Board. The Board reviews its composition annually to ensure it complies with relevant legislation, regulations and policies.

The non-executive directors have the skills and experience to provide judgment independent of management on matters relating to strategy, performance, resources, transformation, diversity, equity, employment, standards of conduct and performance evaluation. The Board stated that its composition reflects the appropriate mix of knowledge, skills, experience, diversity, and independence.

Board appointment and re-election process

The Board has a transparent policy for appointing directors. The Remuneration and Nominations Committee has been delegated the nomination and interview process. At least one-third of non-executive directors rotate every year. During the reporting period, Shareholders approved the proposed amendment to the Memorandum of Incorporation to require only non-executive directors to retire by rotation at Annual General Meetings.

Apart from a candidate's experience, knowledge, skills, availability and likely fit, the Committee also considers a candidate's integrity and other directorships and commitments to ensure that the candidate will have sufficient time to discharge his/her role properly. The Remuneration and Nominations Committee also consider race and gender diversity in its assessment in line with its Race and Gender Diversity Policy, which was reviewed during the reporting period.

Managing Board and executive succession is critical to the Group's sustainability. The Remuneration and Nominations Committee oversees succession planning, talent pipelines and succession readiness to ensure an appropriate balance of skills, experience and leadership continuity. During the reporting period, the Social and Ethics Committee also reviewed critical position coverage and talent development initiatives. The annual Board evaluation further identified succession planning as an ongoing governance focus area. After the Lead Independent Director notified the Board of his intention not to stand for re-election, the Company began succession planning to ensure an orderly transition.

The non-executive directors derive no benefit from the Company. Shareholders approve their fees and emoluments, as proposed by the Remuneration and Nominations Committee, at the Group's Annual General Meeting.

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Principle 7 (continued)

Independence and conflicts

During the year ended 30 June 2026, none of the directors had a significant interest in any contract or arrangement entered into by the Company or subsidiaries other than as disclosed in note 32 to the Annual Financial Statements.

Directors are required to inform the Board of conflicts or potential conflicts of interest that they may have in relation to business items. Directors must excuse themselves from discussions or decisions on matters in which they have a conflict of interest, in accordance with the Declaration and Conflict of Interest Policy in place. A standard agenda item asks members to declare any conflict of interest with respect to a matter on the agenda. This is minuted accordingly.

The Board considered interests, positions, associations, and relationships when categorising the non-executive directors as independent. The Board subjects independent non-executive directors serving for over nine years to a rigorous review of their independence and performance. The Company also discloses individuals serving for more than nine years, enabling shareholders to assess the directors.

This, together with the test of being judged from the perspective of a reasonable and informed third party and other indicators on a substance-over-form basis, found all non-executive directors to be independent. The categorisation of directors is available on pages 79 and 80 of the Integrated Annual Report.

The Chairperson

The Chairperson's role is to set the ethical tone for the Board, so it remains efficient, focused and operates as a unit. Isaac Mophatlane serves as Chairperson of the Board. The Chairperson's role is separate from that of the Group's Chief Executive Officer, Hein Engelbrecht. He provides overall leadership to the Board and the Group Chief Executive Officer without limiting the principle of collective responsibility for Board decisions.

Isaac Mophatlane is a member of the Remuneration and Nominations Committee and serves as Chairperson for only the Nominations part of the Committee meeting agenda.

The Board charter documents the roles of the Chairperson, Group Chief Executive Officer, and lead independent director.

Principle 8

The Board ensures that its delegation arrangements within its own structures promote independent judgment, support the balance of power, and effectively discharge its duties.

The Group seeks to maintain strong Corporate Governance structures and processes by working within a clearly defined Governance framework, thus enabling the delivery of a sustainable business to all our Stakeholders. The Governance framework promotes a Board Committee structure to support the Board in executing its duties. The Board has specific authority over each Committee while maintaining oversight and accountability. The Board has defined roles and responsibilities for each Committee and board-approved terms of reference for the various Committees.

During 2024, the Independent Board was appointed, consisting of four independent non-executive directors, to oversee the mandatory offer in terms of section 123 of the Companies Act (read with section 117 of the Companies Act) from Novus Holdings, as per the Joint Circular issued on 30 May 2025.

Principle 9

The Board ensures that its own performance, that of its committees, its Chairperson, and that of its individual members are evaluated to support continued improvement in its performance and effectiveness.

The Board completed the annual evaluation during the reporting period. The evaluation confirmed a positive governance environment, effective discharge of fiduciary duties, constructive engagement between directors and management, effective committee structures, and appropriate oversight of strategy, risk and financial performance. The evaluation further identified opportunities to strengthen succession planning, long-term strategic discussions, Board skills development, technology and artificial intelligence oversight and Board composition planning.

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Principle 10

The Board ensures that appointing and delegating to management contribute to role clarity and the effective exercise of authority and responsibilities.

The Board reviewed and approved the Delegation of Authority Framework during the reporting period and remains satisfied that it promotes accountability, role clarity and the effective exercise of authority throughout the Group. The Board continues to delegate operational management to the Group Chief Executive Officer within approved authority limits and monitors execution through regular reporting.

Principle 11

The governing body should govern risk to support the organisation in setting and achieving strategic objectives.

Mustek Limited's risk management focuses on identifying, assessing, mitigating, managing and monitoring all known forms of risk across the Group. Management continuously develops and enhances its comprehensive systems for risk identification and management. The Board has overall responsibility for risk governance by setting direction on how risk should be approached and addressed. The Board presents and discusses the top risks quarterly and considers them when making decisions.

Management throughout the Group is responsible for implementing and executing effective risk management.

During the reporting period, the Board approved an updated Risk Management Policy, Framework and Plan following review by the Audit and Risk Committee. The Board focused on risk appetite, risk tolerances and oversight of principal strategic risks. The Board continued to monitor sustainable energy inventory exposure, cybersecurity, liquidity, credit risk and technology-related risks. The Board continued to monitor emerging risks associated with artificial intelligence, cybersecurity, data governance and concentration risk in certain business lines.

Currently, only BDO independently assures the Annual Financial Statements. mPower Ratings, a SANAS-approved external verification agency, verified Mustek's Broad-based Black Economic Empowerment ("B-BBEE") contributor levels.

Principle 12

The Board governs technology and information to support the Group's settings and achieve its strategic objectives.

Technology and information governance remained an important Board focus area. Through the Audit and Risk Committee and Group IT Steering Committee, the Board monitored the significant ERP projects within the Group, cybersecurity maturity initiatives and the Group's "Journey to Green" cybersecurity programme.

The Company maintained its ISO 27001 Information Security Management certification following successful recertification audits.

The Board and Audit and Risk Committee also considered emerging risks and opportunities related to artificial intelligence, data governance and cybersecurity.

Principle 13

The Board governs compliance with applicable laws and adopts non-binding rules, codes, and standards that support the Group's ethical behaviour and good corporate citizenship.

The Board is responsible for ensuring compliance with applicable laws and adopting non-binding rules, codes and standards. The Social and Ethics Committee is delegated this function, and the Audit and Risk Committee oversees financial compliance. The Group's progress in developing and maintaining a compliance universe for all major subsidiaries has been significant.

The Board receives assurance regarding the effectiveness of controls supporting compliance with applicable laws, regulations, codes and standards through procedures performed by internal audit and other assurance providers.

During the reporting period, the Board approved the Risk Management and Compliance Programme ("RMCP") in terms of FICA requirements. It monitored ongoing compliance, ethics and cybersecurity training initiatives across the Group.

During the reporting period, a shareholder requested access to records from Mustek in terms of the Promotion of Access to Information Act (PAIA). The information was provided.

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Principle 14

The Board ensures that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The Remuneration and Nominations Committee assists the Board in overseeing remuneration governance and ensuring that the Group's remuneration philosophy, policy and practices support its strategy, values, risk appetite and long-term sustainability. The Committee reviews and recommends the remuneration of executive directors, senior management and incentive arrangements, while ensuring remuneration outcomes are fair, responsible and aligned with performance.

At the Annual General Meeting held on 20 November 2025, shareholders endorsed both the Remuneration Policy and the Remuneration Implementation Report with a 100% non-binding advisory vote in favour.

During the reporting period, the Board also adopted amendments to its remuneration governance framework to align with sections 30A and 30B of the Companies Act, as amended. These amendments strengthen remuneration oversight, disclosure and shareholder engagement in line with evolving governance and legislative requirements.

Executive remuneration comprises guaranteed and variable remuneration, including short-term incentives and long-term incentive arrangements designed to promote sustainable performance and align executives' interests with those of shareholders. The Remuneration and Nominations Committee reviews these arrangements annually to ensure they remain appropriate and continue to support the Group's strategic objectives.

The Board is satisfied that the Group's Remuneration Policy continues to promote fair, responsible and transparent remuneration outcomes while supporting the attraction, retention and motivation of employees with the skills and capabilities required to deliver the Group's strategy. The Remuneration Policy and Remuneration Implementation Report will again be presented to shareholders as separate non-binding advisory votes at the next Annual General Meeting.

Further information is available in the Remuneration Report on pages 86 to 92 of the Integrated Annual Report.

Principle 15

The Board ensures that assurance services and functions enable an effective control environment and support the integrity of information for internal decision-making and the organisation's external reports.

The Board has delegated to the Audit and Risk Committee the responsibility of overseeing the effectiveness of assurance arrangements within the Group. The Committee ensures that internal controls are adequate and properly reported on across the Group. Internal controls have been established not only over financial matters, but also operational, compliance and sustainability issues.

The combined assurance framework was reviewed during the reporting period and aligned with the risks identified by the Group to consider whether additional assurance in relevant risk areas was required. Assurances are currently obtained through audits performed by internal and external auditors, as well as regular tests conducted by management.

The Board's responsibility for the integrity of the external reports presented by the Group, through the Audit and Risk Committee, sets the direction for how assurance in this regard should be approached and addressed.

Principle 16

In executing 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 interest of the organisation over time.

The Board is responsible for governing stakeholder relations within the Group. Transparent communication and engagement with Stakeholders are vital to ensure that the principles of Stakeholder management are adopted in line with King IV™. The Board ensures that Shareholders are equitably treated and that the interests of minority Shareholders are adequately protected. The Board encourages Shareholders to attend the Annual General Meeting to engage with the Board.

Mustek's investor relations programme includes communications with Shareholders through interim and annual reports, meetings and presentations.