Hosken Consolidated Investments Limited

KING V™ GOVERNANCE REPORT FOR THE YEAR ENDING 31 MARCH 2026

INTRODUCTION TO HCI'S KING V™ GOVERNANCE REPORT

HCI has early adopted King V™ for the 2026 reporting period. Although King V™ applies to financial years beginning on or after 1 January 2026, with early adoption encouraged, the Board considered it appropriate to apply the King V™ principles and recommended practices for FY2026. HCI has considered the 13 King V principles in the context of its business, its role as an investment holding company and its Group governance arrangements.

For HCI, governance is not a once-off compliance exercise or a claim that every arrangement is perfect. It is an ongoing process of applying judgement, asking the right questions and improving where necessary. This is particularly relevant for HCI, which has interests in a range of businesses, each with its own board, operating environment and responsibilities. While subsidiary boards remain responsible for the governance and day-to-day oversight of their own businesses, the HCI Board maintains oversight of matters that are material to HCI as the holding company and to the Group as a whole.

This report gives stakeholders a clear and accessible overview of how HCI applies the King V principles. It should be read together with HCI's King V Disclosure Framework included in the Integrated Annual Report, which contains the more formal principle-by-principle disclosure. Any specific exceptions, qualifications or development areas are addressed under the relevant principles, so that readers can see them in context.

Based on the matters considered during the reporting period, the Board is satisfied that the Group's governance arrangements supported the King V governance outcomes of ethical culture, good performance, effective control and legitimacy, while recognising that governance remains an ongoing process of review, judgement and improvement.

PRINCIPLE 1 – THE GOVERNING BODY LEADS ETHICALLY AND EFFECTIVELY

King V Outcome: Ethical and effective leadership that supports responsible value creation over time.

The Board is responsible for leading HCI ethically and effectively and for setting the tone for how governance is approached across the Company. This means not only considering the matters placed before it, but doing so with care, independence of mind and an understanding of HCI's role as an investment holding company.

In practice, the Board gives effect to this responsibility through the way it works and makes decisions. Board matters are considered formally, with appropriate information from management and input from committees where needed. Directors are encouraged to speak openly, test assumptions and bring different perspectives to the discussion before decisions are made.

The Board's approach is supported by the Code of Ethics, conflict-of-interest procedures and the statutory duties that apply to directors. Conflicts are declared and managed, and directors are expected to act with care, judgement and in the interests of the Company. These arrangements help support sound decision-making and keep ethical considerations part of Board discussions.

HCI's history and the experience of its directors also inform the Board's perspective. The Board draws on a mix of skills, backgrounds and institutional knowledge when considering strategy, capital allocation, risk and stakeholder matters. This supports informed oversight, while recognising that governance is an ongoing process of judgement, review and improvement.

Statement: Based on the oversight and processes in place during the reporting period, the Board considers that its approach supported ethical and effective leadership, while recognising that governance practices continue to be reviewed and developed over time.

PRINCIPLE 2 – THE GOVERNING BODY GOVERNS ETHICS TO SUPPORT AN ETHICAL CULTURE

King V Outcome: An ethical culture supported by clear standards, practical reporting channels and appropriate oversight.

HCI supports an ethical culture by setting clear expectations for conduct and by providing practical ways for concerns to be raised and addressed. The Code of Ethics, related governance policies, fraud and corruption controls and whistleblowing arrangements guide directors, employees and others on the standards of behaviour expected across the Company.

The Social and Ethics Committee assists the Board by overseeing ethics-related matters, including whistleblowing reports and the way in which concerns are followed up. Management remains responsible for giving effect to the Code of Ethics and related procedures in the day-to-day business. Annual declarations, statutory confirmations and guidance from the Company Secretary also help reinforce the standards expected of directors and those who work with the Company.

Directors receive induction material when appointed and relevant governance updates and training opportunities are circulated from time to time. Responsible corporate citizenship is also part of this wider ethical context and is reflected in HCI's governance practices, stakeholder considerations and broader social and developmental initiatives, including those supported through the HCI Foundation and, where relevant, through businesses within the Group.

Statement: Based on the matters considered during the reporting period, the Social and Ethics Committee provided oversight of ethics-related policies, whistleblowing arrangements and reported concerns, and considered the responses taken where matters were raised. The Board considers that these arrangements supported an ethical culture and responsible corporate citizenship, while recognising that ethics remains an ongoing area of attention and accountability.

PRINCIPLE 3 – THE GOVERNING BODY ENSURES RESPONSIBLE VALUE CREATION THROUGH STRATEGY AND PERFORMANCE

King V Outcome: Strategy and performance that support responsible value creation over time.

The Board is responsible for setting HCI's strategic direction and keeping it under regular review. In doing so, it considers HCI's purpose, available resources, investment portfolio and the wider economic, social and environmental context in which the Group operates.

Strategy is considered together with capital allocation, liquidity, risk, people, systems, stakeholder impact and the Company's normal going concern, solvency and liquidity assessments. As an investment holding company, HCI gives particular attention to acquisitions, disposals and other material investment decisions, including whether they are appropriately resourced and aligned with responsible value creation over time.

In considering strategy and performance, the Board also takes account of both progress made during the year and areas where outcomes were more mixed or require continued attention.

Subsidiary boards remain responsible for their own businesses, operating plans and day-to-day oversight, while the HCI Board considers the overall portfolio, key risks, cash flows and long-term sustainability of the Group.

Responsible corporate citizenship, sustainability and stakeholder impact are considered as part of the Board's wider oversight role, including through the Audit and Risk Committee, the Social and Ethics Committee and the reporting framework used for the Integrated Annual Report.

Statement: Based on the matters considered during the reporting period, the Board considers that HCI's strategy, resources and oversight processes supported responsible value creation, while recognising that strategy and performance remain subject to ongoing review, judgement and refinement.

PRINCIPLE 4 – THE GOVERNING BODY ENSURES RESPONSIBLE REPORTING

King V Outcome: Reporting that helps stakeholders understand HCI's performance, position and approach to value creation.

The Board is responsible for HCI's external reporting and for considering whether reports give stakeholders a fair, balanced and useful view of the Company's performance, position, governance and approach to value creation. This includes the annual financial statements, the Integrated Annual Report, relevant Board committee reports and other governance reporting where applicable.

The Audit and Risk Committee supports the Board by overseeing financial reporting, internal financial controls, IFRS application and the overall integrity of published financial information. Other Board committees contribute to the reporting process in their areas of responsibility, including the Remuneration Committee in relation to remuneration reporting and the Social and Ethics Committee in relation to ethics, social, environmental and related compliance matters.

Reports are prepared through a structured internal process involving management, the finance team, the Company Secretary, the external auditors and the relevant Board committees. The annual financial statements are prepared under the responsibility of the Financial Director, audited by the external auditors and reviewed by the Audit and Risk Committee before being recommended to the Board. Annual and interim results are reviewed and approved through the normal Board process before release.

HCI's reporting is intended to provide clear context on governance, sustainability, stakeholder matters and long-term value creation. More detailed information is included in the Integrated Annual Report and the relevant Board committee reports, while this website report provides an accessible overview of the King V principles and HCI's governance approach.

Statement: Based on the reporting processes and reviews undertaken during the reporting period, the Audit and Risk Committee provided oversight of financial reporting, IFRS application and internal financial controls, and considered the integrity of the financial information recommended to the Board. The Board and its committees also considered broader reporting matters within their respective areas of responsibility.

PRINCIPLE 5 – COMPOSITION OF THE GOVERNING BODY

King V Outcome: A Board with an appropriate mix of skills, experience, diversity and independence to support informed judgement and effective oversight.

The Board regularly considers whether its composition provides the right balance of skills, experience, diversity and independence to support informed judgement and effective oversight. This is considered in the context of HCI's strategy, its role as an investment holding company, the Companies Act and the JSE Listings Requirements.

At 31 March 2026, the Board comprised eleven directors: four executive directors and seven non-executive directors, of whom five were classified as independent. The Chairperson is classified as independent and the roles of Chairperson and Chief Executive Officer are separate, supporting an appropriate balance of authority.

The Board does not regard tenure, in isolation, as determining independence. Independence is assessed holistically, with reference to relevant relationships, transactions, shareholding, tenure and any other circumstances that may affect, or reasonably be perceived to affect, a director's ability to exercise objective judgement.

The Board has adopted a diversity policy dealing with Board composition, including gender and race representation. At 31 March 2026, the Board met the diversity targets set under this policy, including in relation to female representation and representation by black people as defined in the B-BBEE Act.

Directors are elected and retire by rotation in accordance with the Company's MOI, the Companies Act and the JSE Listings Requirements. CVs of directors standing for election or re-election are included in the AGM materials.

Following shareholder engagement after the 2025 AGM, the Board considered concerns raised about the long tenure of certain independent non-executive directors, together with the value of their experience, institutional knowledge and contribution to the Board. The Board believes that independence should be assessed holistically rather than by assuming that length of service necessarily undermines independence. Nevertheless, one long-standing member of the Board has indicated his desire to stand down from the Board at the end of the calendar year.

The Board's approach is that independence is supported by governance structures and conduct, including formal declarations of interest, recusal processes, oversight of shareholding exposure, independent non-executive leadership of committees and active Board deliberation and challenge.

Statement: Based on the composition of the Board during the reporting period, the Board considers that it had an appropriate mix of skills, experience, diversity and independence to support informed judgement and effective oversight. The Board also considered the applicable provisions of the Companies Act and the JSE Listings Requirements, including director rotation, election and independence.

PRINCIPLE 6 – DELEGATION TO BOARD COMMITTEES

King V Outcome: Clear delegation to Board committees that supports focused oversight while the Board remains accountable.

The Board delegates specific responsibilities to formally constituted committees so that key governance areas receive focused attention, while the Board retains overall accountability. Each committee operates under an approved charter and reports back to the Board through its chairperson and formal meeting reports.

HCI has three standing Board committees: the Audit and Risk Committee, the Remuneration Committee and the Social and Ethics Committee. Their areas of focus include financial reporting, audit, risk, technology and information governance, remuneration, ethics, responsible corporate citizenship, social and environmental matters and related compliance oversight. Committee reports are included in the Integrated Annual Report.

Members of the Audit and Risk Committee and the Social and Ethics Committee are nominated by the Board and approved by shareholders at the annual general meeting. HCI does not currently have a separate nominations committee, as Board appointments, nominations and director induction are considered by the Board as a whole.

The Board has also considered whether a Lead Independent Director is required and has concluded that a formal appointment is not currently necessary, having regard to the independence of the Chairperson, the Board's composition, existing committee structures, conflict-of-interest processes and the arrangements followed where the Chairperson may be conflicted.

Committee meetings are coordinated where practical to support effective reporting and avoid unnecessary duplication. Each Board committee is chaired by a different independent non-executive director, supporting a reasonable spread of responsibility across the independent non-executive directors. Management attends committee meetings by invitation where input is required and recuses itself from Remuneration Committee discussions relating to executive remuneration.

The Board retains responsibility for evaluating its own performance and that of its committees, the Chairperson and individual directors. The committee arrangements are intended to support focused oversight, clear reporting and practical accountability within the Board structure.

Development area: As part of HCI's transition to King V, certain Board and committee charters are being updated to reflect King V terminology and recommended practices. This work remains in progress and is expected to be finalised after the reporting date.

Statement: Based on the arrangements in place during the reporting period, the Board considers that its committees supported focused oversight and effective reporting to the Board, while the Board retained overall accountability for matters delegated to those committees.

PRINCIPLE 7 – APPOINTMENT AND DELEGATION TO MANAGEMENT

King V Outcome: Clear roles and delegated authority that support effective management, Board oversight and informed decision-making.

The Board sets the matters reserved for its own decision and those delegated to management through the Chief Executive Officer. This helps management run the business within approved authority levels, while the Board retains overall responsibility for oversight and key decisions.

The CEO is accountable to the Board and is supported by executive and senior management. The Financial Director oversees the finance function and supports reporting, financial control and related governance processes.

The Board and management engage through Board and committee meetings, management reports and discussion of material matters. These processes support timely escalation, informed decision-making and ongoing oversight of strategy, performance, risk and financial position.

The Board remains involved in approving policy, material business plans and significant transactions, including acquisitions and disposals. In considering these matters, the Board takes into account strategy, available resources, risk and HCI's role as an investment holding company.

Executive appointments and succession are considered by the Board as part of its oversight role. Subsidiary boards remain responsible for senior appointments and succession within their own businesses, and the Board takes this into account when considering leadership continuity at HCI level.

The Board evaluates its own performance and that of its committees, the Chairperson and individual directors using a practical approach suited to HCI's size, structure and way of working. The Audit and Risk Committee follows a more formal evaluation process, including assessments of the committee, the Financial Director, the finance team and the external and internal auditors.

Directors are expected to keep informed of legal, regulatory and governance developments relevant to their duties. The Company Secretary supports the Board and committees by circulating relevant updates, providing guidance where required and assisting with statutory and governance processes.

The Company has appointed a Company Secretary in accordance with the Companies Act. The Board considers the competence, qualifications, experience and independence of the Company Secretary each year and confirms that the Company Secretary maintains an arm's-length relationship with the Board. The FY2026 evaluation did not raise any material issues requiring disclosure in this report.

Relevant leadership and governance disclosures, including those required under LR 3.84, are addressed through the Company's normal reporting and approval processes.

Statement: Based on the delegation and reporting arrangements in place during the reporting period, the Board considers that management operated within an appropriate framework of authority and accountability, supported by regular reporting and engagement with the Board and its committees.

PRINCIPLE 8 – RISK GOVERNANCE

King V Outcome: Risk governance that supports informed decision-making, resilience and the sustainable execution of strategy.

Risk is considered in a practical way that reflects HCI's role as an investment holding company. Subsidiary boards remain responsible for managing the risks of their own businesses and regulated environments, while the HCI Board focuses on risks that may affect HCI as holding company or the wider investment portfolio.

At HCI holding company level, the Board gives particular attention to capital allocation, liquidity, concentration, valuation risk, debt levels, dividend flows and other matters that may affect HCI's strategic and financial position. Subsidiary risks are escalated to HCI where they may affect the overall portfolio, capital allocation or long-term sustainability of the Group.

HCI has not set fixed risk tolerance levels or a formal risk appetite at holding company level. Investment opportunities are considered on their own merits, with the Board taking into account strategy, expected returns, available resources, liquidity and the risks relevant to each opportunity. Risk tolerance decisions relating to subsidiary operations are generally made at subsidiary board level.

Risk reporting is intended to give the Board and the Audit and Risk Committee visibility of material risks, responses and emerging matters. This is supported through management and subsidiary reporting and, where appropriate, internal audit, external audit and other assurance work.

The Audit and Risk Committee assists the Board by considering risk reporting, material exposures, internal financial controls, assurance feedback and related governance matters. This supports the Board in considering risk in the context of strategy, performance, sustainability and value preservation.

Statement: Based on the risk governance and reporting arrangements in place during the reporting period, the Board considers that risk matters were considered in a way that supported informed decision-making, portfolio oversight and the ongoing resilience of the Group.

PRINCIPLE 9 – COMPLIANCE GOVERNANCE

King V Outcome: Compliance governance that supports ethical conduct, responsible corporate citizenship and confidence in HCI's governance arrangements.

The Board sets the tone for compliance at HCI and considers whether appropriate policies, reporting processes and oversight arrangements are in place. Compliance is treated as part of HCI's wider governance, risk and ethics framework, rather than as a separate box-ticking exercise.

At holding company level, HCI maintains policies, standards and reporting processes that support compliance with applicable legal, regulatory and governance requirements, including the Companies Act and the JSE Listings Requirements. The Code of Ethics and related governance policies form part of this framework.

Because HCI has interests in a range of businesses, subsidiaries maintain compliance arrangements suited to their own operations, regulatory environments and governance responsibilities. HCI maintains visibility through Board reporting, subsidiary confirmations and the involvement of HCI directors on subsidiary boards and committees where appropriate.

The Audit and Risk Committee and the Social and Ethics Committee support the Board by considering compliance matters within their respective areas of responsibility, while management is responsible for day-to-day compliance processes. The Company Secretary assists with relevant governance and regulatory updates, statutory filings and compliance matters under the Companies Act and the JSE Listings Requirements.

Statement: Based on the compliance reporting and oversight arrangements in place during the reporting period, the Audit and Risk Committee and the Social and Ethics Committee considered compliance matters within their respective areas of responsibility. The Board considers that these arrangements supported appropriate visibility of material legal, regulatory and governance matters.

PRINCIPLE 10 – TECHNOLOGY AND INFORMATION GOVERNANCE

King V Outcome: Technology and information arrangements that support secure operations, informed decision-making and responsible use of information.

The Board regards technology, data and information as important to HCI's operations, reporting and decision-making. Oversight is provided by the Board and the Audit and Risk Committee, while management and specialist service providers are responsible for day-to-day technology and information arrangements.

HCI uses third-party technology service providers to support its lean operating structure. Management oversees these arrangements and reports material technology, information security, outsourcing, continuity, incidents and assurance matters to the Audit and Risk Committee where relevant.

Information is managed with reference to applicable legal and regulatory requirements, including POPIA, PAIA and the Cybercrimes Act. Access controls, privacy, information security, retention, secure disposal, incident response and business continuity form part of HCI's broader information governance environment.

Development area: Emerging technologies, including artificial intelligence, are monitored at a level appropriate to HCI's current use of technology. These technologies are not presently embedded in HCI's core operations.

Parts of the wider technology governance policy framework, including the monitoring of emerging technologies, remain under development and will continue to be refined in line with HCI's operating model and actual use of technology.

Statement: Based on the technology, information and reporting arrangements in place during the reporting period, the Board considers that these matters supported secure operations, oversight and informed decision-making.

PRINCIPLE 11 – REMUNERATION

King V Outcome: Remuneration that is fair, responsible, transparent and aligned with long-term value creation.

The Board, through the Remuneration Committee, oversees HCI's remuneration policy, implementation report and related shareholder disclosures. HCI's approach is intended to support fair, responsible and transparent remuneration that takes account of performance, retention and long-term value creation.

The remuneration policy applies to HCI, while subsidiaries apply remuneration arrangements suited to their own businesses and markets. HCI maintains visibility of subsidiary remuneration matters through HCI directors serving on subsidiary boards and remuneration committees where applicable.

Executive remuneration includes fixed and variable remuneration linked to performance measures considered by the Remuneration Committee. HCI also has a malus and clawback policy, and its long-term share incentive scheme is intended to support retention and align participants with long-term shareholder value creation. Non-executive directors do not participate in the scheme and are paid fixed annual fees, with committee-related fees capped at 50% of the annual Board fee.

The Remuneration Report in the Integrated Annual Report includes the detailed remuneration policy, implementation report, performance considerations and responses to shareholder feedback, including engagement following shareholder dissent above 25% at the 2025 AGM.

Statement: Based on the remuneration matters considered during the reporting period, the Remuneration Committee provided oversight of HCI's remuneration policy, executive remuneration outcomes and related shareholder disclosures. The Board considers that the remuneration arrangements supported fair, responsible and transparent remuneration, while recognising that remuneration remains subject to shareholder engagement and ongoing review.

PRINCIPLE 12 – ASSURANCE

King V Outcome: Assurance arrangements that support internal controls, risk management and the integrity of external reporting.

The Board, through the Audit and Risk Committee, oversees assurance arrangements that support HCI's internal controls, risk management and external reporting. These arrangements are intended to give the Board and its committees visibility of significant risk, regulatory, ethical, operational, financial reporting, technology, sustainability and climate-related matters, and to support consideration of whether further action or oversight is required. Assurance is provided through management oversight, specialist functions, internal audit, external audit and other assurance providers where relevant, reflecting HCI's role as an investment holding company.

The Audit and Risk Committee oversees the appointment, independence and performance of the external auditor and the internal audit service provider, and considers assurance findings, significant control matters and the extent to which assurance work supports the integrity of reporting.

Internal audit: The internal audit function is outsourced to GRiPP Advisory (GRiPP), which is no longer part of the HCI Group following a management buy-out before year-end. GRiPP operates under an internal audit charter approved annually by the Audit and Risk Committee. The committee reviews and approves the internal audit strategy and risk-based internal audit plans. Internal Audit work is spread across the group's listed and unlisted portfolio. For the listed portfolio, the Internal Audit work is overseen by the respective audit and risk committees. For the unlisted portfolio, Internal Audit work was limited to a review at HCI Resources and HCI Properties only. As Impact Oil and Gas moves towards the development of its Namibian interests, the scope of an internal audit function will be established and procedures planned accordingly. The Chief Audit Executive is provided by GRiPP and has functional reporting access to the Chairperson of the Audit and Risk Committee. The internal audit function confirms annually that it has not performed operational management activities and that it has appropriate standing and resources to carry out its mandate. GRiPP applies the Global Internal Audit Standards issued by the Institute of Internal Auditors, and the most recent external independent quality assessment resulted in a "General Conformance" rating.

External audit: The external audit function is performed by Forvis Mazars, which is in its third year as external auditor following mandatory audit firm rotation. The Audit and Risk Committee oversees the external auditor's appointment, independence and performance. The external audit provides assurance over the annual financial statements and considers information relevant to the Integrated Annual Report as part of the audit process. Non-audit services are monitored to support auditor independence. Specific ESG metrics do not currently fall within the external audit assurance scope. As part of the audit process, the external auditors consider IT controls that may affect financial reporting, including data integrity and cybersecurity risks. HCI does not currently use artificial intelligence for financial reporting, and this area is therefore outside the current audit scope.

Development area: As HCI transitions to King V reporting, the sustainability and assurance framework is expected to develop further. Broader integration of sustainability-related assurance remains part of the next stage of development as HCI's King V-aligned sustainability and disclosure framework matures. The implementation of internal audit at HCI company level is also being considered as part of this developing assurance framework.

Statement: Based on the assurance arrangements in place during the reporting period, the Board considers that these arrangements supported oversight of significant risks, internal controls and the integrity of financial reporting.

PRINCIPLE 13 – STAKEHOLDER RELATIONSHIPS AND GROUP GOVERNANCE

King V Outcome: Stakeholder relationships and Group governance arrangements that support informed, responsible and sustainable decision-making.

The Board recognises that constructive stakeholder relationships are important to HCI's long-term sustainability and to its role as an investment holding company. HCI aims to engage in a way that is respectful, fair and open to dialogue, while recognising that stakeholder relationships are built over time and require ongoing attention.

Stakeholder engagement takes place through established channels, including the AGM, SENS announcements, the Integrated Annual Report, the Company's website, shareholder communications and, where appropriate, direct engagement. These channels are intended to support timely, fair and accessible communication with shareholders and other stakeholders.

Stakeholder matters are considered through HCI's normal governance and reporting processes, including shareholder analysis, monitoring of the share register, Board and committee reporting, and consideration of material risks, opportunities and feedback. The Board does not use a formal scorecard to measure stakeholder relationship quality, but considers practical indicators such as AGM participation, voting outcomes, shareholder questions, direct engagement and any material concerns raised through normal communication channels.

Certain external-facing sustainability and stakeholder-related information, including B-BBEE and CDP-related information, is supported by specialist verification processes where applicable. HCI's values and heritage also inform its approach to stakeholder matters, including community-facing initiatives, developmental work supported through the HCI Foundation and, where relevant, the contribution made by Group businesses to social and economic development.

HCI's Group governance approach reflects its role as an investment holding company with interests in a range of businesses. Subsidiary boards remain responsible for their own businesses, regulatory environments and fiduciary duties, while HCI maintains appropriate Group-level visibility through Board reporting, subsidiary confirmations, information flows and the involvement of HCI directors on subsidiary boards and committees where appropriate.

Material matters are escalated to HCI where they may affect the wider portfolio, capital allocation, reputation or long-term sustainability of the Group. The Group's governance approach is not based on a single prescriptive model; it is intended to allow appropriate consistency at Group level while recognising the independence, size, sector and regulatory context of each subsidiary.

Statement: Based on the stakeholder engagement and Group governance arrangements in place during the reporting period, the Board considers that these arrangements supported constructive stakeholder relationships, appropriate Group-level visibility and responsible decision-making, while recognising the autonomy and responsibilities of subsidiary boards.

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