CLICKS GROUP LIMITED

Clicks Group Remuneration Report 2026

In compliance with the Companies Act, effective 22 May 2026, the requirements of King V and the JSE Listings Requirements, this remuneration report has been prepared to support informed shareholder voting on the group's remuneration policy and remuneration report. It is structured in four parts: the background statement, remuneration policy, implementation report and supplementary disclosures.

About this report

This is the first remuneration report prepared under the Companies Amendment Act, No. 16 of 2024, which introduces a binding vote framework for remuneration matters. Under the new framework, the remuneration policy (Part 2) will be presented to shareholders as a binding vote, and it is our intention that the policy presented in this report will apply for a period of three years, and the implementation report (Part 3) will be presented as a separate binding vote. These votes are distinct from the special resolution required for non-executive director fees under section 66(9) of the Companies Act.

The report provides an overview of the remuneration framework for Clicks Group employees and details how the policy and practices were implemented in the reporting period to align with shareholder value creation. The remuneration paid to executive and non-executive directors for the 2026 financial year is detailed on pages 16 and 22.

The following remuneration-related resolutions will be tabled for consideration by the shareholders at the annual general meeting (AGM) on 28 January 2027.

1. A binding vote on the group's remuneration policy (part 2) (set out on pages 5 to 12)
2. A separate binding vote on the remuneration report as a whole (part 3) for the 2026 financial year (set out on pages 13 to 19)
3. Approval of the proposed non-executive directors' fees (special resolution in terms of section 66(9) of the Companies Act) (refer to page 22 of this report)

This report is presented in four parts:

Part 1: Background statement from the chair of the remuneration committee.

Part 2: Remuneration policy – the forward-looking policy which applies for three years.

Part 3: Implementation report – how the policy was implemented for the year ended 31 August 2026, including executive director pay outcomes.

Part 4: Supplementary disclosure – wider-workforce remuneration, fair and responsible remuneration and non-executive directors' fees. Part 4 is provided for information and is not subject to a shareholder vote, save that non-executive directors' fees remain subject to a separate special resolution in terms of section 66(9) of the Companies Act.

Once approved, the remuneration policy in Part 2 will remain in place for three financial years and will not be retabled for a shareholder vote during that period, unless the committee envisages material amendments to the policy, in which case the revised policy will be tabled for a further binding vote at the next AGM.

The policy is informed by regulatory requirements, standards and guidance which include:

- Companies Act, No. 71 of 2008 as amended
- JSE Listings Requirements
- King V Code of Governance for South Africa (King V)

The group seeks to continually enhance the quality of its remuneration disclosures and reporting and welcomes feedback from stakeholders on this report. Feedback should be directed to the company secretary at companysecretary@clicksgroup.co.za.

CLICKS GROUP LIMITED

Part 1: Background statement

Dear Shareholders

On behalf of the board, I am pleased to present our remuneration report for the financial year ended 31 August 2026. The report details the review of the remuneration framework undertaken during the year and the consequent enhancements to our remuneration policy as well as the remuneration outcomes for the 2026 financial year and planned focus areas for the 2027 financial year.

Introduction

The Clicks Group value proposition sets us apart in a challenging operating environment, highlighting the resilience of the group's business model. The group continued to deliver sustained performance, adapting to changing market dynamics as it expands its store and pharmacy network. We have continued to thrive as a business, reinforcing our social licence to operate in the way we conduct our business and relate to our stakeholders.

The group's objective is to create an inclusive and transformed organisation with a strong talent pipeline to support long-term business growth and ensure a continued competitive advantage. Attracting, engaging, developing and retaining the valuable talent that we need to achieve our strategic goals is critical to our continued success.

The group's employee value proposition supports this objective through a holistic approach to reward by promoting fair and responsible remuneration practices and enhanced employee well-being through our employee wellness, employee development, and organisational diversity and inclusion initiatives.

The group has achieved this through the following initiatives:

- providing life assurance cover up to the value of six times an employee's annual guaranteed pay, which is twice the market average for the sector;
- providing medical aid or primary health insurance to all employees;
- implementing policies and training to remain current with developing health and safety issues, and ensuring safety standards are maintained;
- offering access for all employees and their household dependants to the group employee wellness programme which provides a holistic service that addresses all facets of well-being;
- providing several in-person and online courses to employees which are aligned to our strategic and operational imperatives;
- recognising the importance of diversity in the workplace and acknowledging that employment equity (EE) is a business imperative. The group has a three-year transformation roadmap and a five-year EE plan. Its commitment to diversity and inclusion is reflected by the group's verified BBBEE level 3 rating and diverse board composition; and
- engaging independent external reward practitioners to benchmark the remuneration framework against a defined peer group to ensure that the group's remuneration policy and practices are responsible, fair and competitive.

Business performance

Clicks Group continues to deliver on its strategy and its business model remains resilient, supported by strong management. The group's remuneration philosophy and strategy, which encourages individual and team performance, is continually reviewed and adjusted to promote the achievement of the group's strategic objectives. This is borne out in the group's continued success as highlighted in the chief executive officer's (CEO) and chief financial officer's (CFO) reports on pages 37 and 42 in the integrated annual report.

The business outcomes are highlighted below:

- Turnover increased by 5.4% to R50.4 billion
- Retail sales grew by 4.2%
- Increase of 4.4% in diluted headline earnings per share (dHEPS)
- Dividend increased by 4.4% to 925 cents per share
- Return on equity at 48.7% is within the medium-term target range of 40% to 50%
- Returned R3.4 billion to shareholders in dividends and share buybacks

The group's performance over both the shorter and longer term provides assurance that the remuneration policies and the implementation thereof are fit for purpose, enabling the group to attract and retain the talent needed to support the sustained growth of the group.

Remuneration governance

The remuneration committee (the committee), operating under the authority delegated by the board, is responsible for overseeing the establishment and maintenance of the group's remuneration policy, policy outcomes and pay practices. The committee assists the board in ensuring the group has a competitive remuneration policy and governance framework which are aligned with the group's strategic and organisational performance objectives.

Remuneration committee composition

In line with the recommendations of King V, the committee comprises only independent non-executive directors, namely Sango Ntsaluba (chair), Richard Inskip and Christine Ramon. No member of the committee has a tenure exceeding five years. The CEO attends committee meetings by invitation but is recused from discussions that relate to her own performance appraisal and remuneration. The committee meeting attendance is included on page 34 of the integrated annual report.

Remuneration committee mandate

The primary responsibilities of the committee include:

- ensuring the remuneration policy is aligned to and promotes the achievement of the group's strategic objectives and encourages individual and team performance;
- ensuring the market competitiveness of the group's total remuneration offering to support the attraction, motivation and retention of scarce and critical talent and skills;
- ensuring the critical elements of the remuneration policy, including annual guaranteed pay, scarce skills premiums, benefits and incentives are appropriately benchmarked to ensure the group is competitive in the employment market;
- ensuring fair and responsible remuneration across the dimensions of race, gender and skill pools in support of the group's transformation imperatives;
- ensuring all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- reviewing and approving the performance evaluation of the CEO, all her direct reports as well as the company secretary and head of internal audit, against agreed deliverables;
- reviewing incentive schemes to ensure alignment to shareholder value creation and that the schemes are administered in terms of the rules; and
- reviewing the remuneration of non-executive directors and recommending their fees to be approved at the AGM.

The committee addressed the following key issues during the year:

- The resignation of Vikash Singh (managing executive: Total Health & Beauty) activated the group's talent succession plan and drove a structural optimisation that resulted in the group executive committee being strengthened to seven members. The group executive now comprises the following direct reports under CEO Bertina Engelbrecht: Gordon Traill (CFO), Bongiwe Ntuli (group executive: Clicks Retailers), Bridget Makhura (chief people officer), Dhevan Pillay (managing executive: Retail Business Development), Mahomed Shaik (chief information officer) and Trevor McCoy (managing executive: UPD). These changes enhance leadership capability, succession planning, diversity and inclusion, and further align the group with its strategic priorities.
- The committee reviewed the group's talent development and retention programmes to ensure that the group has appropriate resources.
- Reviewed the impact of adequate resourcing insofar as it relates to group risks – in the current year the committee focused on skills needed to manage cybersecurity risks, implementation of a new warehouse management system, the upgrade of omni-channel systems and the centralisation of shared services functions.
- Reviewed the current group culture to assess its fit in light of changing employee demographics and work preferences.
- The group is cognisant of the rising cost of living and the inflationary pressures on employees. The average overall performance-linked increase for all group employees, effective from 1 September 2026, was 4.1% (2025: 5.4%).

Short-term Incentive (STI) scheme

Group performance was assessed against STI targets set for the 2026 financial year.

The actual group performance, comprising a return on net assets (RONA) and trading profit-based measures, resulted in an STI achievement of 127.8% for the Total Clicks business unit, 11.4% for the Retail Business Development (which, although part of retail, is measured separately), 30.3% for UPD and 87.3% for the group executive committee. No business unit achieved the RONA targets and, consequently, no STI bonus payment has been made. Certain stores, however, did achieve their targets and a bonus was paid to those qualifying store. In accordance with the applicable scheme rules, the payout was decreased by 3% as one of the environmental, social and governance (ESG) targets were not met.

Refer to page 7 of the remuneration policy and page 14 of the implementation report for further detail.

The STI targets for the 2027 financial year, including the ESG downward modifiers, were approved.

Long-term Incentive (LTI) scheme

The appreciation units relating to dHEPS performance awarded under the 2022 and 2023 LTI schemes vested in the 2026 financial year, with an actual achievement of 10.2% and 10.8% four-year and three-year annual compound growth, respectively. This resulted in the hurdle for an on-target percentage payout of 100% being met for both tranches. The amounts due to participants in the LTI scheme are settled in cash. The board approved the amendment of the LTI scheme rules as of 1 September 2021 to incorporate a 15% downward ESG modifier. The amendment affects all LTI participants, whose incentive payment from 2024 will be subject to downward adjustment by up to 15% of the total benefit if the ESG performance modifier metrics are not achieved. Refer to page 8 of the remuneration policy for more information.

The committee reviewed the LTI scheme in the 2026 financial year to ensure that the scheme remained appropriate in the context of the incentivisation of performance, market practice, King V, proxy and shareholder voting guidelines.

Refer to pages 8 and 9 of the remuneration policy and page 15 of the implementation report for further detail.

Shareholder engagement and voting

At the AGM in January 2026 the group's remuneration policy was passed with 97.21% (2025: 96.28%) shareholder support and the implementation report with 97.17% (2025: 95.47%) shareholder support, both on an advisory non-binding basis. Following the Companies Act amendments, we will request binding resolutions on the policy and report, as required.

Shareholder concerns

In the 2026 financial year no shareholder concerns were raised in relation to the group's remuneration practices and disclosures.

In accordance with the provisions of the Companies Act, as amended, the remuneration policy and the remuneration report will be presented to shareholders for approval by ordinary resolution at the 2027 AGM. Should either resolution not receive the support of more than 50% of the votes exercised, the board will invite dissenting shareholders to engage with the committee on their concerns, and the group will follow the requirements set out in sections 30A and 30B of the Companies Act.

Commitment and alignment to shareholder voting guidelines

We remain committed to presenting the remuneration policy and implementation report in a manner that is transparent and discloses all material information relevant to shareholder voting. The group's remuneration policies are designed to create alignment to shareholder interests, as evidenced by the group's sustained performance and the outcomes of prior shareholder votes on the remuneration policy and implementation report.

External advisers

Members of the committee may access any information to inform their independent judgement on remuneration and related matters, including regulation, compliance, control or conduct.

Specialist consultancy firms are engaged by management to provide market benchmarking data and general reward advisory services. All strategic reward decisions are prepared and guided by our executive management team for approval by the committee. The committee, in its mandate, has the delegated approval authority.

The committee contracts the following service providers and consultancies for independent external advice:

- 21st Century
- Deloitte
- PricewaterhouseCoopers
- Old Mutual REMChannel
- Korn Ferry

The committee is satisfied with their independence and objectivity.

2027 and beyond

The committee is committed to acting in the best interests and benefits of our shareholders to ensure any concerns raised are adequately addressed.

During the 2027 financial year the committee will continue to focus on the execution of its mandate according to its terms of reference and will primarily focus on the following key areas:

- retention of key executives and employees in core and critical skills areas;
- further entrenching an inclusive culture in which diversity and inclusion is harnessed for business success;
- continue to take appropriate decisions to ensure the competitiveness of the group's remuneration frameworks; and
- continuous engagement with shareholders to refine the remuneration policies.

Conclusion

The group's sustained excellence in the four quadrants of the balanced scorecard, namely financial, customer, internal processes, and learning and growth as evidenced by its numerous awards and accolades, increases the pressure on retaining scarce and critical talent. This has heightened the committee's focus on attracting, affiliating and retaining talented individuals. The group's talent development practice has created a strong pipeline of talent who are being prepared for internal succession.

Our remuneration philosophy, strategy and policy framework fuel the delivery of the group's strategic objectives. Our remuneration decisions and implementation outcomes therefore represent a fair outcome in the context of the group's performance, are sustainable and aligned with shareholder and stakeholder interests over the long term.

We will review the impact of our 2026 remuneration outcomes in the context of stakeholder feedback and market activity to identify further opportunities to strengthen our frameworks. I trust that this remuneration report enables shareholders to make an informed vote. I look forward to your support of the group's remuneration proposals.



Sango Ntsaluba

Chairperson
Remuneration committee

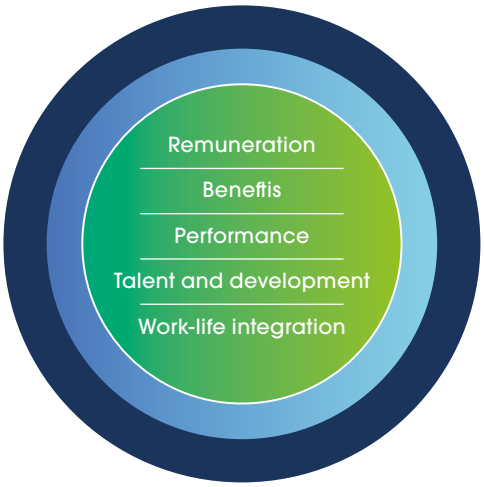
6 November 2026

CLICKS GROUP LIMITED

Part 2: Remuneration policy (subject to vote)

The remuneration policy is aligned with King V and outlines the group's approach to fair, responsible and transparent remuneration practices. It applies to all executive directors and prescribed officers and is presented to shareholders for approval by ordinary resolution in terms of section 30A of the Companies Act, to apply for three financial years, unless materially amended before then.

The policy prescribes that the levels of pay and incentives awarded to executive directors are set rationally and impartially, and are free from discrimination, self-interest, prejudice or favouritism.



Remuneration philosophy and approach

The remuneration philosophy strives to attract, motivate and retain high-performing talented individuals required to develop a strong talent pipeline to achieve the group's strategic goals. Pay-for-performance forms the foundation of the remuneration philosophy.

The group's remuneration framework supports the delivery of its strategy by attracting and retaining the talent required to sustain business growth and by linking variable remuneration to the financial and non-financial outcomes that underpin long-term value creation.

Annual guaranteed pay is positioned competitively to attract, motivate and retain employees with the skills, experience and leadership capabilities required to execute the group's strategy.

The STI rewards annual profitable growth and the efficient use of assets through performance measures linked principally to trading profit and RONA, while individual performance reinforces accountability for each participant's contribution.

The LTI promotes sustained earnings growth and disciplined capital allocation through measures linked to dHEPS and return on invested capital (ROIC), thereby aligning executive remuneration with long-term shareholder interests.

ESG modifiers applying to both the STI and LTI reinforce responsible corporate citizenship and may reduce incentive outcomes where the group's ESG objectives are not achieved.

The group's remuneration philosophy is based on the total rewards model which integrates the five key elements that attract, motivate and retain the human capital required to achieve the desired business results.

The total reward strategy drives a high-performance culture that aims to consistently deliver above-average returns to shareholders through employees that are motivated and fully engaged. This is achieved through the following reward principles:

- Market competitiveness
- Internal equity
- Performance
- Competence and experience

The reward principles of fair and responsible remuneration, market competitiveness and pay-for-performance are entrenched in the policy, and strive to achieve the following objectives:

- A policy that is transparent and incorporates a pay framework that clearly differentiates between occupational levels, skill pools and pay grades to facilitate remuneration benchmarking for each job within a skill pool.
- A remuneration mix that includes a combination of monetary and non-monetary rewards for employees in exchange for their time, efforts, talent and performance at an individual, team and company level.
- Monetary rewards that include annual guaranteed pay and variable pay, such as short-term and long-term incentives, that relate to performance against agreed targets, as well as other benefits.
- Non-monetary rewards that range from formal and informal recognition programmes, training and job rotation opportunities, and exposure to stimulating work assignments, all of which are designed to motivate, affiliate and retain employees.

Remuneration components

A significant portion of executive remuneration is variable and designed to incentivise performance. The STI and LTI are an integral part of the total rewards framework and aim to align employee performance with the interests of shareholders.

To drive sustainable performance and growth, and create sustainable value for shareholders, the following performance metrics are used in the STI and LTI.

The amount of a qualifying employee's incentive allowance is subject to a downward adjustment by up to 15% of the total benefit if the ESG performance metrics are not achieved.

Executive directors' remuneration elements

The remuneration framework for executive directors comprises fixed and variable remuneration elements that are designed to attract, motivate and retain talented executives, while aligning remuneration outcomes with the successful execution of the group's strategy and the creation of sustainable long-term value for shareholders. The key remuneration components are summarised below.

Remuneration element	Purpose
Annual guaranteed pay	Provides competitive fixed remuneration to attract, motivate and retain executives with the leadership capability, skills and experience required to execute the group's strategy.
Short-term incentive	Rewards the achievement of annual financial, operational and strategic objectives. The STI is designed to drive profitable growth and efficient asset utilisation through performance measures linked principally to trading profit and RONA.
Long-term incentive	Rewards sustainable long-term value creation and aligns executive interests with those of shareholders. The LTI is linked to dHEPS growth and ROIC, which support long-term earnings growth and disciplined capital allocation.
ESG modifier	Reinforces the group's commitment to responsible corporate citizenship and sustainable value creation. The modifier may reduce STI and LTI outcomes where predefined ESG performance requirements are not achieved.
Minimum shareholding requirement (MSR)	Encourages executive share ownership and strengthens alignment between executive and shareholder interests through the maintenance of a meaningful personal investment in the group.

The committee believes that an appropriate balance between fixed and performance-based remuneration is fundamental to the group's pay-for-performance philosophy. A significant proportion of executive remuneration is therefore variable and contingent on the achievement of predetermined performance objectives, ensuring a clear link between remuneration outcomes, business performance and sustainable long-term value creation.

	Short-term incentive (STI)	Long-term incentive (LTI)
Drive profitable growth		
Return on net assets	●	
Trading profit	●	
Create shareholder value		
Headline earnings per share (HEPS)		●
Total shareholder return (TSR)		●
Return on invested capital (ROIC)		●
Drive an ESG sustainability agenda which contributes to long-term enterprise value creation		
ESG scorecard	●	●

Executive director remuneration policy

The remuneration elements set out below – guaranteed remuneration, STIs and LTIs – apply to the executive directors of the group, and to any prescribed officers (noting that the group does not currently have prescribed officers).

Guaranteed remuneration

Remuneration element	Description
Annual guaranteed pay • Basic salary • Guaranteed allowances • Benefits	Comprises a basic salary, guaranteed allowances and benefits such as retirement benefits, group life and disability cover, and medical aid with flexible contribution levels. Annual guaranteed pay for executive directors and prescribed officers is determined having regard to the size and nature of the role, market positioning including any premium for scarce and critical skills, individual performance and contribution, and position within the pay band. The factors applied across the wider workforce are set out in Part 4. The committee reviews the group's overall pay framework annually against defined market benchmarks per job grade, job size or skill pool.

Short-term incentive scheme

<table>
<tr><th>Remuneration element</th><th>Description</th></tr>
<tr><td>Scheme objective</td><td>The STI is performance-based and achievement is measured at the group, business unit and team level against agreed targets. Individual performance, measured through the group's annual performance appraisal process, is applied as a modifier and may limit the value of the payment should an employee not meet individual performance targets.

The purpose of the scheme is to incentivise individual and collective contributions to the group's continued growth and profitability.

The STI is paid annually, subject to financial performance and may be modified downwards by up to 15% if the ESG targets are not met.</td></tr>
<tr><td>Eligibility</td><td>All permanent employees, except retail store employees who participate in a separate retail store incentive scheme.

All employees are required to achieve a satisfactory performance rating to qualify for full participation in the STI scheme.</td></tr>
<tr><td>Scheme architecture</td><td>A percentage of annual guaranteed pay is paid in cash on the achievement of performance.</td></tr>
<tr><td>Performance metrics</td><td>The group and business unit performance metrics are as follows:
• RONA
• Budgeted trading profit*
* Trading profit adds back STI bonus provision, adds back IFRS 16 lease depreciation and deducts actual lease payments to reflect cash trading profit for STI purposes.</td></tr>
<tr><td>Financial target-setting principles</td><td>
<table>
<tr><th>Performance</th><th>Threshold</th><th>Target</th><th>Stretch</th></tr>
<tr><td>RONA</td><td>95%</td><td>100%</td><td></td></tr>
<tr><td>Budgeted trading profit</td><td>95%</td><td>100%</td><td>105%</td></tr>
</table>
The qualification threshold is set at the qualifying employees' measurement level, i.e. the group, business unit, region and store within which a qualifying employee works. Once the threshold is achieved, the qualifying employee is entitled to an incentive payment in accordance with the group's allocation percentages at the employee's grade. Both thresholds are required to be reached, otherwise no STI bonus is payable.

Performance exceeding the targeted performance may result in the payment of a higher STI. This is self-funded and only paid if the group exceeds the targeted trading profit.

The achievement of targets is reviewed by the committee before any incentive payments are made.

All agreed performance targets are reviewed by the executive committee and approved by the remuneration committee. The performance targets for the executive committee are subject to approval by the remuneration committee.

STI targets, including the ESG downward modifiers referenced below, are approved each year by the committee, are considered to be price-sensitive information, and accordingly performance against these targets will be disclosed to shareholders retrospectively in the implementation report.</td></tr>
<tr><td>Allocation percentages</td><td>On-target sharing percentage, as a percentage of annual guaranteed package (AGP):

CEO: 75% of AGP (Capped at 120% of AGP)
CFO: 60% of AGP (Capped at 100% of AGP)</td></tr>
<tr><td>Payment quantum</td><td>The payment quantum is defined by a threshold, on-target and a maximum payout as indicated below.
<table>
<tr><td>Below threshold</td><td>0%</td></tr>
<tr><td>Target</td><td>100%</td></tr>
<tr><td>Maximum</td><td>200%</td></tr>
</table>
Payment is capped at a maximum of two times the qualifying employee's allocation percentage. Individual performance is applied as a modifier.</td></tr>
<tr><td>ESG modifier</td><td>The STI scheme incorporates ESG performance modifiers to reinforce the group's commitment to sustainable value creation and responsible corporate citizenship. The remuneration committee may apply a downward adjustment of up to 15% of a participant's STI award where ESG performance outcomes do not meet the minimum standards set for the financial year.

The ESG modifiers may include measures relating to environmental stewardship, social responsibility, governance and sustainability performance, and may comprise both external benchmark assessments and internally determined performance indicators. The specific ESG measures, targets and weighting applicable for each financial year are disclosed in Part 3 of this report.</td></tr>
</table>

LTI scheme

Remuneration element	Description
Scheme objective	The LTI scheme is aimed at aligning executive and senior management remuneration with shareholder interests by rewarding them for the creation of shareholder value. The scheme currently includes both an earnings performance metric and a measure of the efficient management of the group's capital. Legacy awards subject to the total shareholder return performance measure are closed to new participants and are disclosed in Part 3.
Eligibility	Executives and senior managers.
Scheme architecture	LTI awards are granted annually to incentivise the sustained performance of the group measured by the increase in dHEPS and the increase in ROIC. The LTI scheme is based on appreciation units and, in the case of ROIC, a percentage of AGP. The LTI has a five-year vesting period. The value of appreciation units is apportioned between the two performance components, majority-weighted towards ROIC, with the specific apportionment for each award disclosed in Part 3. The scheme is cash settled.

Element	HEPS appreciation units	ROIC
Instrument	The participant has the right to the appreciation in the HEPS appreciation units based on the growth of the group's dHEPS over a five-year period.	The participant is set a target based on a percentage of their AGP. The participant will receive a payment based on meeting ROIC returns.
Award mix	40%	60%
Performance metric	dHEPS	ROIC
Vesting	60% after three years, 20% after four years and 20% after five years.	Three-year measurement with two-year retention.
Settlement	Cash settled	Cash settled

Performance measurement

1. Diluted HEPS appreciation units

Measurement

Diluted HEPS compounded growth over a five-year period subject to performance hurdles and ESG modifiers.

Calculation

The base value of the HEPS appreciation units is calculated at the date of allocation as follows: Base value = reported dHEPS x the group's internal price-earnings ratio.

The exercise value is calculated at the end of the vesting period as follows: Exercise value = published dHEPS x the group's internal price-earnings ratio.

The difference between the exercise value and the base value is the amount per dHEPS appreciation unit to be paid out in cash.

Vesting is determined on a sliding scale from weak to exceptional. The committee may, in its discretion, adjust the vesting hurdles, and the associated vesting scales from time to time to ensure continued alignment with the group's strategic objectives. The specific performance hurdles and vesting scales applicable to future award cycles are disclosed in Part 3.

Performance hurdle	Existing scheme	Scheme from FY2024	Percentage of LTI payout
Weak	0% or negative growth	Below CPI +2.5% growth	0%
Below target	Up to 7.9% growth	From CPI +2.5% to CPI +4.9% growth	70%
On target	8% to 14.9% growth	From CPI +5% to CPI +7.4% growth	100%
Above target	15% to 19.9% growth	From CPI +7.5% to CPI +9.9% growth	150%
Exceptional	Above 20% growth	Greater than CPI +10% growth	200%

ESG is applied as a downward modifier and may modify the payment downwards by up to15% based on the group's performance on the ESG performance scorecard.

Performance measurement

2. ROIC

Measurement

ROIC is the trading profit after the effective tax rate for the financial year ending on the expiry date. Invested capital is the equity and reserves of the group plus interest-bearing debt. Both the trading profit and invested capital are adjusted to exclude IFRS 16 but include payments for leases. This is also subject to performance hurdles and ESG modifiers. The participant is allocated a ROIC allocation value based on a percentage of their annual guaranteed pay.

Calculation

The participant's ROIC settlement value is calculated at the expiry date for the first tranche.

The ROIC thus calculated is then applied to determine whether any hurdle rate has been met and, if so, which hurdle rate has been met.

The participant's ROIC allocation value is then multiplied by the applicable hurdle rate to determine the total amount payable to the participant.

This valuation only takes place once, at the expiry date of the first three years, however vests 60% after three years, 20% after four years and 20% after five years.

Vesting is determined on a sliding scale from weak to exceptional. The committee may, in its discretion, adjust the vesting hurdles, and the associated vesting scales from time to time to ensure continued alignment with the group's strategic objectives. The specific performance hurdles and vesting scales applicable to future award cycles are disclosed in Part 3.

Performance hurdle	ROIC over 36 months from commencement date	% to be applied to the ROIC allocation value
Weak	Below 37.5%	0%
Below target	From 37.5% to 39.9%	70%
On target	From 40% to 44.9%	100%
Above target	From 45% to 47.4%	150%
Exceptional	47.5% and above	200%

ESG is applied as a downward modifier and may modify the payment downwards by up to 15% based on the group's performance on the ESG performance scorecard.

Allocation

The participation multiples are set for defined levels of management and may be amended annually by the committee. The multiple applied to each executive director for the year, together with the resulting allocation values, is disclosed in Part 3.

Termination due to retirement, disability or death

Subject to remuneration committee approval, in the event of the retirement, disability or death of a participant, the settlement amount for outstanding LTI tranches shall be calculated based on the HEPS and ROIC allocation values as at the most recently completed financial year. Such settlement will be subject to a separate cap of a maximum of five times the participant's annual guaranteed pay in relation to HEPS and two times the original value allocated in relation to ROIC.

ESG modifier

The LTI scheme incorporates an ESG modifier to reinforce the alignment between LTI outcomes and the group's sustainability, social responsibility and governance objectives. The remuneration committee may apply a downward adjustment of up to 15% to a participant's vested LTI award where the minimum ESG performance requirements determined for the relevant performance period are not achieved.

The ESG modifier may comprise ESG and broader sustainability measures, including external benchmark assessments and internally determined performance indicators. The specific ESG measures, weightings, targets and outcomes applicable to each award cycle are reviewed periodically and are disclosed in Part 3 of this report.

Pay ranges

Pay ranges are based on prevailing labour market forces which determine the remuneration ranges applicable to each job family. Pay ranges are generally targeted at the median (50th percentile) of the comparable local retail market.

A premium may be applied to annually approved scarce specialist skills such as pharmacists, buyers and planners where this is merited, based on the market benchmarks.

Committee discretion

The committee applies informed judgement when assessing performance and determining remuneration outcomes under this policy, and may exercise discretion over time in a fair, responsible and transparent manner, particularly where a formulaic result would be inappropriate, produce an unintended windfall or be unduly punitive.

Discretion may be exercised upwards, to recognise performance or contributions not fully captured by the standard measures or downwards, where the calculated outcome does not fairly reflect actual performance, and may also be used to normalise the effect of once-off or exceptional events, including matters relating to recruitment, retention or termination not otherwise addressed in this policy. Each exercise of discretion is considered on a case-by-case basis, having regard to the relevant facts and the reasons for the decision, and is applied consistently and fairly in substance and process. Any material exercise of discretion, including its nature and the key factors considered, will be disclosed in the remuneration implementation report for the relevant financial year.

Benchmarking

The group's remuneration structures and levels are benchmarked against national and retail market benchmark data, drawing on independent surveys. A comprehensive market benchmarking exercise is undertaken at least every three years, and the process and outcomes are peer-reviewed by an independent reward consultant to verify their accuracy and compliance with King V. The benchmarking outcomes relied on for the year, including the reviewing consultant and comparator companies, are disclosed in Part 3.

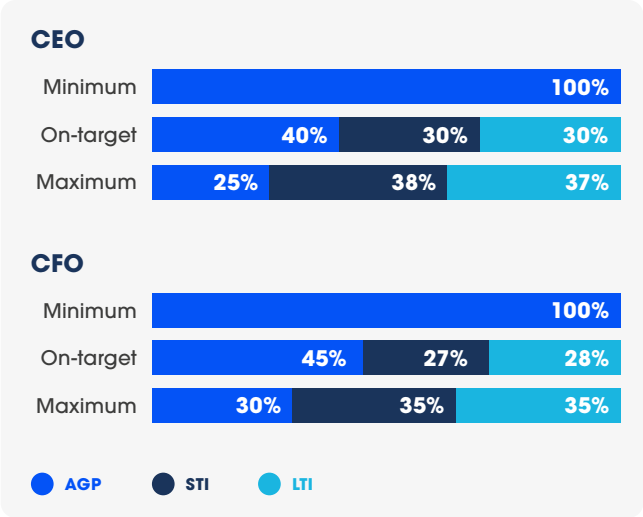
The group's benchmarking and market information is based on independent surveys, including the Old Mutual REMChannel, Deloitte Top Executive and Korn Ferry surveys.

The group actively supports efforts to help employees achieve success at work and home through the provision of work-life integration programmes, and the employee wellness programme which includes support measures that extend beyond the workplace. These programmes encompass workplace flexibility, health and wellness, employee engagement through corporate social investment and culture change initiatives.

Remuneration mix and pay-for-performance link for executive directors

The remuneration mix is reviewed annually and benchmarked at least every third year at the defined market positioning, which is at the median (50th percentile), of the comparator group for total remuneration, i.e. total remuneration across AGP, and STIs and LTIs. The retail comparator group comprises the listed retail and top 40 companies on the JSE. The graphs alongside set out the executive directors' potential pay mix at minimum, target and maximum performance, based on their current AGP.

The graphs illustrate the potential pay mix for executive directors at minimum, target and maximum performance levels based on current annual guaranteed pay. At minimum performance, where the STI and LTI performance hurdles are not achieved, total remuneration comprises annual guaranteed pay only. At target performance, variable remuneration forms a material proportion of total pay. At maximum performance, variable remuneration represents the majority of total potential earnings, reflecting the group's pay-for-performance philosophy. The specific performance hurdles, vesting scales and the pay mix outcome for the year are set out in Part 3.



The group's remuneration philosophy and strategy are to reward and incentivise performance and this is borne out in the pay mixes above. This philosophy and strategy are deliberate and have served the group well in driving sustainable performance over the long term as evidenced in the results over the medium and longer term.

Target settings

The committee sets the annual and long-term performance targets for the STI and LTI schemes with reference to the group's strategic priorities, board-approved budgets, prevailing market and macroeconomic conditions, and prior-year performance to ensure targets remain sufficiently stretching while incentivising sustainable value creation. Targets are reviewed and approved by the committee annually for the STI and at the commencement of each performance period for the LTI, preserving the flexibility needed to respond to a changing operating environment. LTI performance conditions and targets are disclosed prospectively in the implementation report (Part 3) for the current performance period. Due to the commercial sensitivity of the STI targets, these are disclosed retrospectively in the implementation report, once the financial year to which they relate has ended.

Salary increase

Annual salary increases are merit-based, with increases being directly related to each employee's annual performance rating. The range of increase percentages per performance rating is applied consistently across the group, including to the executive directors. The annual increase date for permanent non-bargaining unit employees is 1 September, which is aligned with the start of the group's financial year and budgeting period.

Collective salary increases are negotiated with the representative trade union for the Clicks bargaining unit. Trade union membership comprises 11.25% (2025: 11.00%) of the total group employees.

Performance

The group maintains a strong pay-for-performance philosophy, whereby executive remuneration outcomes are directly linked to the achievement of agreed financial and non-financial performance objectives. Performance measures and targets are selected to support the successful execution of the group's strategy and the creation of sustainable long-term value for shareholders and other stakeholders. A substantial portion of executive remuneration is delivered through variable pay arrangements, ensuring that remuneration outcomes are commensurate with performance achieved. Incentive awards are subject to the achievement of predetermined performance conditions and threshold requirements, providing a clear and transparent link between pay, performance and sustainable value creation.

Talent and development

The group recognises that the competence of its human capital is critical in achieving sustainable business growth. We are committed to ensuring that all our employees are enabled to realise their potential and meet their career aspirations.

Executive service conditions

Members of executive management are employed on standard employment contracts. The CEO is subject to a 12-month notice period and the CFO to a six-month period. None of the executive directors is appointed on fixed-term contracts.

The employment contracts do not compel the group to pay severance packages when an executive leaves the group due to underperformance, nor do they provide for guaranteed variable remuneration.

Relocation allowances may be paid to executives, but these are linked to a retention period and must be repaid if the executive leaves the group prior to the expiry of the retention period.

The retirement age for executive directors is 63 years.

Executive directors may be contracted in consultancy roles for a limited period following their resignation or retirement from the group to assist in the transition to their successors.

Malus and clawback

The variable incentive schemes are subject to a malus and clawback policy.

The malus and clawback policy gives the group, through its committee, the discretion when a trigger event occurs to either:

- forfeit, reduce or cancel unpaid, unsettled or unvested incentives (also referred to as "malus"); or
- recover settled or paid incentives (also referred to as "clawback").

For the purposes of malus and clawback, a trigger event is defined as:

- a material error in the information on which the quantum of any settlement amount or the extent of achievement of performance conditions was based, or in the quantification of a settlement amount;
- a material corporate failure at the employer company or the Clicks Group;
- serious reputational damage or material loss caused to the Clicks Group by the employee's conduct; or
- a material contravention by the employee of the group's ethics and values.

The committee retains the absolute discretion to invoke malus and clawback in part or in full, on a collective or individual basis, where a trigger event has occurred.

The group has the right to recover the incentive remuneration amount from the participant for three years from the trigger event.

In the case of clawback being applied, the right of recoupment survives the cessation of a participant's employment in such a capacity for three years.

Minimum shareholding requirements (MSR)

The group has an MSR policy for senior executives.

The purpose of the MSR is to encourage executives to hold Clicks Group shares to create a focus on ownership, reinforce the alignment between executive and shareholder interests, and engender a culture of long-term commitment to the group.

The executives are expected to build up and maintain a targeted qualifying interest in shares in the company, determined as a multiple of their AGP as follows:

- CEO: 300% of AGP
- CFO: 150% of AGP
- Group executive members: 100% of AGP

Executives must achieve the targeted minimum shareholding within five years of their appointment or five years from the date of adoption of the MSR policy, whichever is the later. After the five-year period, executives are expected to maintain the MSR. Attainment against the required multiple for each executive director and prescribed officer is disclosed in Part 3.

The committee has the discretion to extend the holding period in the event of extenuating circumstances.

If an executive fails to hold the required minimum shareholding by the end of the five-year holding period, the committee will have the discretion to investigate the reasons as to why this may have occurred and determine remedial steps to ensure compliance with the provisions of the MSR policy, as soon as is practicably possible.

Policy administration

Effective date and approval cycle

Once approved by shareholders at the annual general meeting to be held on 28 January 2027, this report will be effective for a period of three years unless a material change occurs in which case a revised policy will be put forward for shareholder approval.

Legacy arrangements will continue to be governed under the previous non-binding policy and the applicable contractual arrangement but will continue to be reported on in the implementation report, as applicable.

CLICKS GROUP LIMITED

Part 3: Remuneration report (subject to vote)

This report summarises the outcomes of implementing the remuneration policy as approved by the committee for the 2026 financial year.

Annual salary increases

In reviewing increases, the committee is acutely aware of inflationary pressures and how they are impacting the cost of living and the labour market, and the group aims to pay competitively and differentiate based on individual performance.

The average performance-linked increase effective from 1 September 2026 is 4.1% (2025: 5.4%).

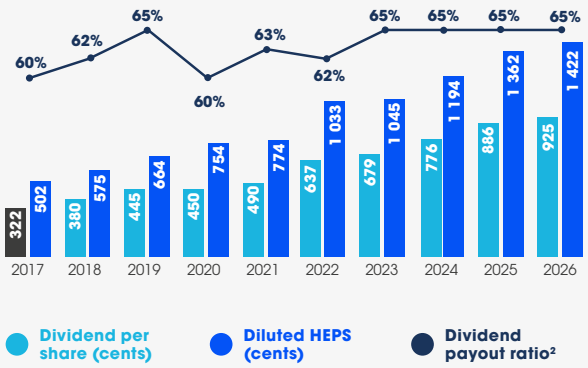
The annual guaranteed pay of the executive directors is determined by the committee within the group's pay range, after reviewing benchmarks based on the group's comparator group of listed retail companies in South Africa and in relation to the firm's reward philosophy and strategy.

Performance and impact on incentives

The LTI scheme has driven sustained outperformance over the longer term as evidenced in the sustained financial performance of the group over the last ten years. This sustained outperformance is further evidenced in the outperformance of the targets.

The accompanying graphs and table highlight the strong performance of the Clicks Group over the past one, five and ten years.

Sustained financial performance

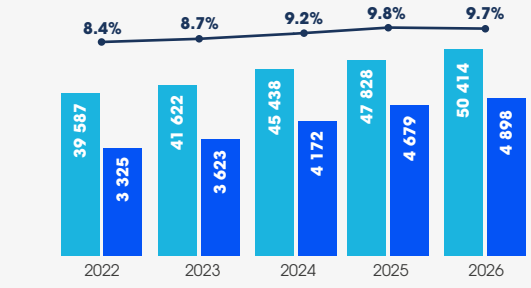


10-year CAGRs

11.4%	12.5%	13.0%
Total shareholder return³	Diluted HEPS	Dividend per share

¹ Pre-IFRS 16. ² Based on HEPS.
³ Based on reinvestment of dividends paid and the closing share price.

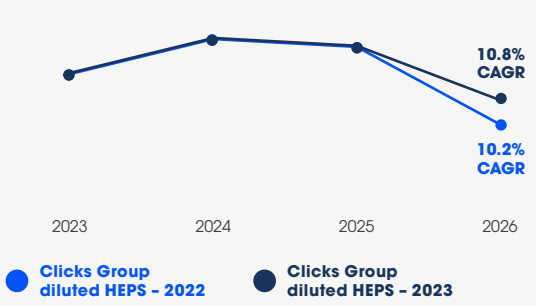
Growth in turnover, profit and margin



* FY2022 trading profit and margin adjusted for impact of civil unrest.

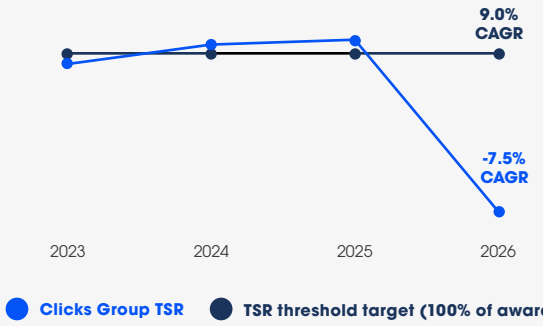
Medium-term financial targets	Achieved in 2026	Medium-term target
ROE (%)	48.7	**40 – 50**
ROIC excluding IFRS 16 (%)	49.5	**40 – 50**
ROIC (%)	31.2	**20 – 30**
ROA (%)	14.2	**11 – 15**
Net working capital days	33	**30 – 35**
Group trading margin (%)	9.7	**9.0 – 10.0**
Retail	11.0	**10.0 – 11.0**
Distribution	2.7	**2.8 – 3.3**
Dividend payout ratio (%)	65	**60 – 65**

Diluted HEPS performance



Clicks Group's dHEPS performance was 10.2% for the 2022 tranche and 10.8% for the 2023 tranche which is within the target range for 100% vesting of the award, and above the minimum required target of 8% for the 2022 tranche and 9% for the 2023 tranche three-year CAGR for 100% vesting to occur, as evidenced in the graph above.

TSR performance



Clicks Group's TSR performance was -7.5% which was below the group's minimum required target of 9.0% three-year CAGR for 100% vesting to occur as evidenced in the graph above.

Annual STI outcomes

Performance for the group's STI scheme is measured at the group, business unit and team level against the agreed targets set for average monthly RONA and trading profit, as well as on an individual basis.

The table below summarises the group performance for the 2026 financial year.

	Target	2026 performance	2026 performance vs target %
Trading profit[1]	R5 156m	R4 667m	90.5%
Average RONA	97.8%	87.3%	89.3%

[1] Trading profit adds back STI bonus provision, adds back IFRS 16 lease depreciation and deducts actual lease payments to reflect cash trading profit for STI purposes.

The committee reviewed and approved the group's and business units' STI achievements which resulted in a total annual cash incentive of R62.4 million (2025: R188.1 million). This includes incentives paid in terms of the retail store incentive scheme where R42.7 million (2025: R53.1 million) was paid to retail store staff for the 2026 financial year. Below we set out the business STI performance for the 2026 financial year:

Business unit	Trading profit target (Rm)	Trading profit achieved (%)	RONA target (%)	RONA achieved (%)	Threshold met?
Clicks	R4 342m	93.3%	132.4%	127.8%	No
UPD	R736.3m	75.4%	37.2%	30.3%	No
Retail Business Development	R38.4m	34.9%	19.5%	11.4%	No

Executive directors are measured against the group's financial performance as well as individual performance. The group financial outcome combines the average monthly RONA and budgeted trading profit results in the weightings approved by the committee for the year, being 95% RONA and 95% trading profit, with both thresholds required to be met before any STI becomes payable. Individual performance is then applied as a modifier of between 3% and 15%, which may increase or reduce the formulaic outcome and is assessed against each executive's agreed financial and non-financial performance contract. The individual performance of the CEO is assessed by the committee, while the performance of the CFO is evaluated by the CEO and reviewed by the committee.

The table below illustrates the annual incentive payments made to the executive directors based on their individual performance for the 2026 financial year and the overall achievement of company performance.

The outcome for each executive director is determined by applying the group achievement against the RONA and trading profit measures in the weightings approved by the committee, adjusted by the ESG modifier and then by the individual performance modifier. The scorecard evaluation and resulting calculation for each executive director are set out below.

Director	On target % of AGP	Target AGP	STI 2026 ESG modifier	STI 2026 awarded	STI 2025 awarded	STI awarded vs target STI
Bertina Engelbrecht (CEO)	75%	R12.6m	3%	0	R8.9m	Below target
Gordon Traill (CFO)	60%	R8.0m	3%	0	R4.5m	Below target

LTIs | Outcomes and awards

Legacy LTI awards – TSR awards (closed to new participants)

The final tranches of the legacy TSR-linked LTI award will vest in FY2027 (20% each year). These awards were issued prior to the transition to ROIC as the primary long-term performance metric on 1 September 2022 and remain subject to the original TSR performance conditions. No new awards have been or will be made under this legacy structure.

2026 LTI outcomes – vesting of 2023 award

The vesting of awards given under the LTI plan are conditional on performance being achieved. For the three-year performance period ended 31 August 2026 the group achieved the following:

Metric	Vesting conditions	Vesting % of award associated with conditions	Achievement over three years	Vesting outcome
Diluted HEPS 2022 tranche (Compound annual growth rate over three years)	0% or less	0% of award	10.2%	100% of award
	0.1% to 7.9% growth	70% of award		
	8.0% to 14.9% growth	100% of award		
	15.0% to 19.9% growth	150% of award		
	Above 20.0% growth	200% of award		
Diluted HEPS 2023 tranche (Compound annual growth rate over three years)	Below consumer price index (CPI) +2.5% growth	0% of award	10.8%	100% of award
	From CPI +2.5% to CPI +4.9% growth	70% of award		
	From CPI +5.0% to CPI +7.4% growth	100% of award		
	From CPI +7.5% to CPI +9.9% growth	150% of award		
	Greater than CPI +10.0% growth	200% of award		
Total TSR (Compound annual growth rate over three years)	Below 9%	0% of award	(7.5%)	0%
	Above 9%	100% of award		
	Above 12%	150% of award		
	Above 15%	200% of award		
ROIC over 36 months from commencement date	Below 37.5%	0% of award	49.5%	100% of award*
	37.5% to 39.9%	70% of award		
	40.0% to 44.9%	100% of award		
	45.0% to 47.4%	150% of award		
	47.5% and above	200% of award		

* In accordance with the LTI Rules, ROIC performance was measured at the first tranche vesting date. The remuneration committee exercised its discretion to moderate the ROIC outcome to a 100% payout factor for the participant's ROIC allocation. This decision reflects the committee's holistic assessment of the performance achieved during the measurement period and the appropriateness of the associated payout outcome.

The committee approved the LTI payment of R44.74 million to participants per the rules of the scheme.

2026 executive directors' LTI outcomes – vesting of 2022 LTI award

Director	Award value dHEPS units allocated at R115.76 per unit (20%)	Award value TSR units allocated at R298.29 per unit (20%)	HEPS units gain per unit 2022 tranche	TSR units gain per unit	Vesting outcome % dHEPS tranche 2022	Vesting outcome % TSR	2026 LTI vesting outcome	2025 LTI vesting outcome
Bertina Engelbrecht (CEO)	43 495	16 880	R54.84	R0	100%	0%	R2.4m	R10.1m
Gordon Traill (CFO)	21 769	8 448	R54.84	R0	100%	0%	R1.2m	R5.1m

2026 executive directors' LTI outcomes – vesting of 2023 LTI award

Director	Award value dHEPS units allocated at R125.34 per unit (60%)	ROIC value allocated (60%)	HEPS units gain per unit 2023 tranche	ROIC achieved	Vesting outcome % dHEPS tranche 2022	2026 LTI vesting outcome*	2025 LTI vesting outcome
Bertina Engelbrecht (CEO)	104 123	6 525 360	R45.26	100%	100%	R10.9m	R10.1m
Gordon Traill (CFO)	58 356	3 657 150	R45.26	100%	100%	R6.1m	R5.1m

* LTI 2026 ESG modifier applied.

Executive director remuneration summary

The table below summarises the total earned remuneration paid to executive directors for the 2026 financial year:

2026	Directors' remuneration (R'000)							
Director	Salary	Pension fund	Other benefits	Total AGP	Annual STI	LTI	Total variable pay	Total
Bertina Engelbrecht (CEO)	11 867	757	–	12 624	–	13 286	13 286	**25 910**
Gordon Traill (CFO)	7 068	932	–	8 000	–	7 303	7 303	**15 303**
Total	**18 935**	**1 689**	**–**	**20 624**	**–**	**20 589**	**20 589**	**41 213**

2025	Directors' remuneration (R'000)							
Director	Salary	Pension fund	Other benefits	Total AGP	Annual STI	LTI	Total variable pay	Total
Bertina Engelbrecht (CEO)	11 143	711	–	11 854	8 891	10 133	19 024	**30 878**
Gordon Traill (CFO)	6 627	873	–	7 500	4 500	5 072	9 572	**17 072**
Total	**17 770**	**1 584**	**–**	**19 354**	**13 391**	**15 205**	**28 596**	**47 950**

Directors' participation in the LTI

The table below details the historic performance-linked appreciation unit awards to the executive directors. The ROIC participation multiple applied for the FY2026 allocation was 134% for the CEO and 100% for the CFO, producing the allocation values and unit awards set out below. The performance conditions and targets applicable to these awards are those approved by the committee at the commencement of the performance period.

	2026 – 2031 Scheme		2025 – 2030 Scheme	
Director	HEPS units allocated at R170.60 per unit	ROIC value	HEPS units allocated at R163.40 per unit	ROIC value
Bertina Engelbrecht (CEO)	148 006	16 917 420	154 528	16 917 420
Gordon Traill (CFO)	87 362	8 280 000	88 127	8 000 000

Directors' shareholdings at 31 August 2026

	2026 beneficial shares				2025 beneficial shares			
Director	Direct	Indirect	Indirect non-beneficial	Total	Direct	Indirect	Indirect non-beneficial	Total
Bertina Engelbrecht	123 368	–	–	**123 368**	100 268	–	–	**100 268**
Gordon Traill	36 572	8 749	–	**45 321**	20 512	5 818	–	**26 330**
Sango Ntsaluba	492	–	–	**492**	492	–	–	**492**
Total	**160 432**	**8 749**	**–**	**169 181**	**121 272**	**5 818**	**–**	**127 090**

MSR – compliance status

At 31 August 2026 the CEO had attained 69% (2025: 105.73%) of the required shareholding of 300% of annual guaranteed pay, and the CFO 80% (2025: 87.77%) of the required 150%.

Use of committee discretion during FY2026

No ad hoc or once-off payments (sign-on, buyout, severance, restraint) were made during the year.

Committee closing statement for FY2026

The remuneration policy was implemented as approved, without any notable deviations.

FY2027 planned implementation

FY2027 guaranteed pay increases

With effect from 1 September 2026 the committee approved total guaranteed pay increases of 0% for the CEO and 3.5% for the CFO, against an average increase of 4.1% for the wider workforce. Increases for employees in the bargaining unit are subject to the collective bargaining process.

FY2027 STI

The committee approved the FY2027 STI framework for the CEO and CFO. Performance will be assessed against the financial measures set out below, with the final outcome subject to an ESG modifier that may reduce the STI award by up to 15%.

STI opportunity

Executive	On-target STI (% of annual guaranteed pay)	Maximum STI (% of annual guaranteed pay)
Chief executive officer	75%	200%
Chief financial officer	60%	200%

Maximum STI opportunities are capped at two times the on-target allocation.

Financial performance measures

Measure	Weighting	Performance range
Return on net assets	100%	95%
Budgeted trading profit	100%	95%

The numerical performance targets are considered commercially price-sensitive and will therefore be disclosed retrospectively in the FY2027 implementation report.

ESG modifier

The ESG modifier may reduce the STI outcome by up to 15%, based on performance against the ESG scorecard measures approved by the committee.

The FY2027 ESG scorecard measures and weightings are set out below:

Modifier	Weighting
Composite measure: Maintain leadership positioning on FTSE4Good Index relative to the sub-sector average for drug retailers and the consumer services industry average.	6%
Environmental measure: The Clicks Group increasing its use of solar renewable energy to at least 4 500 MWh.	3%
Social measure: Obtain a level 4 BBBEE rating or better, and UPD obtaining a level 2 BBBEE rating or better in terms of the scoring applicable to the road freight industry.	3%
Governance measure: No material breaches of customer privacy and to a material extent maintaining the security of data.	3%

FY2027 LTI scorecard and incentive allocations

LTI awards granted in FY2027 will be measured over a three-year performance period ending 31 August 2029, with vesting of 60% in year three and 20% in each of years four and five. The award value is apportioned 60% to ROIC and 40% to dHEPS. Each component is measured independently against the hurdles approved by the committee below, with achievement between the stated points interpolated on a straight-line basis. The ESG modifier is then applied to the combined outcome and may reduce it by up to 15%.

The participation multiple for the CEO is set at 120% and the participation multiple for the CFO is set at 100%. The allocation multiple is subject to approval by the committee. For the 2027 allocation, the ROIC participation multiple for the CEO has been set at 134%.

Performance hurdle	dHEPS CAGR targets	ROIC over 36 months from commencement date	% to be applied to ROIC allocation value and the percentage of the dHEPS unit appreciation to be paid out
Weak	Below CPI +2.5% growth	Below 37.5%	0%
Below target	From CPI +2.5% to CPI +4.9% growth	37.5% to 39.9%	70%
On target	From CPI +5.0% to CPI +7.4% growth	40.0% to 44.9%	100%
Above target	From CPI +7.5% to CPI +9.9% growth	45.0% to 47.4%	150%
Exceptional	Greater than CPI +10.0% growth	47.5% and above	200%

The ROIC participation multiples approved for the FY2027 allocation are 134% for the CEO and 100% for the CFO, giving allocation values of R16.92 million and R8.28 million respectively, together with 148 006 and 87 362 dHEPS appreciation units allocated at a base value of R170.60 per unit.

The ESG modifier is applied to the outcome determined above and may reduce the payment by up to 15% where the metrics on the group's ESG performance scorecard for the period are not achieved.

The FY2027 ESG scorecard metrics and their weightings are set out below:

Modifier	Weighting
Composite measure: Maintain leadership positioning on FTSE4Good Index relative to the sub-sector average for drug retailers and the consumer services industry average.	6%
Environmental measure: The Clicks Group increasing its use of solar renewable energy to at least 4 500 MWh.	3%
Social measure: Obtain a level 4 BBBEE rating or better, and UPD obtaining a level 2 BBBEE rating or better in terms of the scoring applicable to the road freight industry.	3%
Governance measure: No material breaches of customer privacy and to a material extent maintaining the security of data.	3%

Pay gap disclosures

Clicks Group is committed to fair, responsible and transparent remuneration practices that support sustainable value creation within the group's economic, social and environmental context. In overseeing the group's remuneration framework, motivate and retain employees across the group.

The disclosures below have been prepared in accordance with section 30B(3)(c) of the Companies Act No. 71 of 2008, as amended. They present the prescribed remuneration measures together with information on the methodology, employee population and remuneration components used in preparing the calculations.

Basis of preparation

The prescribed remuneration measures have been calculated using actual remuneration processed through payroll during the financial year. This approach reflects the cash and taxable value of remuneration received by employees during the reporting period.

For purposes of disclosures, total remuneration comprises:

- annual guaranteed pay, including basic salary guaranteed allowances;
- employer contributions to retirement and other benefit funds;
- STIs paid during the reporting period;
- LTIs realised or settled during the reporting period; and
- severance payments, sign-on awards, once-off gratuities and other exceptional remuneration paid during the reporting period, where applicable.

Employee population

The calculation includes all individuals employed by Clicks Group's South African entities at the end of the reporting period, irrespective of which South African group entity holds the relevant employment contract. This group-wide approach is intended to provide a meaningful view of internal pay equity across the group's South African workforce.

Employees who joined the group during the financial year and remained employed at the reporting date have had their guaranteed remuneration annualised and, where relevant, normalised to a full-time equivalent basis. Employees whose employment terminated before the reporting date have been excluded from the calculation.

Learners, interns and casual workers have been excluded from the primary calculation.

These individuals generally participate in temporary, developmental or variable-hour arrangements that are not directly comparable with the remuneration arrangements of the permanent workforce. They have therefore been excluded to avoid materially distorting the primary measures of internal pay equity. The effect of including these individuals is shown separately below where their inclusion has a material effect on the disclosed measures.

The primary calculation includes 20 819 employees.

The following table presents the remuneration measures prescribed by section 30B(3)(c) of the Companies Act:

Measure	FY2026
Total remuneration of the highest-paid employee	**R31 648 970**
Total remuneration of the lowest-paid employee	**R63 563**
Average total remuneration of all employees	**R218 545**
Median total remuneration of all employees	**R99 970**
Ratio of the total remuneration of the top 5% of employees to the total remuneration of the bottom 5% of employees	**17.9:1**

Reconciliation of the highest-paid employee

The highest-paid employee included in the pay gap calculation is the CEO. Actual remuneration of R31.6 million was processed through payroll for the CEO during FY2026.

This amount differs from the total earned remuneration disclosed for the individual in the executive remuneration table elsewhere in the implementation report. The pay gap disclosure is based on payroll data and reflects amounts paid during the year up to 31 August 2026. Accordingly, it differs from the CEO's total earned remuneration disclosed elsewhere in this implementation report, which is presented on the King V basis and includes STI and LTI values recognised with reference to the applicable performance period and vesting outcomes.

CLICKS GROUP LIMITED

Part 4: Wider-workforce remuneration and pay fairness

This section describes how the group's remuneration philosophy and framework apply to the wider workforce. It does not form part of the remuneration policy in Part 2 or the implementation report in Part 3 and is not subject to a shareholder vote, save that non-executive directors' fees remain subject to a separate special resolution in terms of section 66(9) of the Companies Act.

It is included to meet the King V recommendation that the remuneration policy be disclosed for all employees, and to provide context for the pay gap disclosures made in Part 3 in terms of section 30B of the Companies Act.

Remuneration philosophy across the workforce

The remuneration philosophy and reward principles set out in Part 2 apply to all employees across the group. Remuneration comprises annual guaranteed pay, variable pay linked to performance against agreed targets, and non-monetary rewards including recognition programmes, training and development opportunities. The components applicable to each employee level are set out in the total rewards framework and policy applicability guide below.

Retail store employees participate in a separate quarterly store incentive scheme linked to store sales targets rather than the cash STI. The group retention scheme provides a long-term financial incentive aimed at retaining critical and scarce skills, high-potential employees and senior black talent.

Fair and responsible remuneration

The group applies the principle of equal pay for work of equal value and monitors pay differentials across race, gender and skill pools. Differences in pay reflect objective factors such as role size, skill scarcity, experience and individual performance. Where differentials cannot be justified on these grounds, the committee approves corrective adjustments.

All employees are paid above the national minimum wage and the minimum rates set under Sectoral Determination 9 for the wholesale and retail sector. Annual increases are differentiated by performance rating and, for the bargaining unit, determined through collective bargaining.

Context for the pay gap disclosures

The pay gap measures required by section 30B of the Companies Act are disclosed in Part 3. The practices described in this section provide context for those measures. Variable pay is concentrated at senior levels by design, so that executive outcomes track shareholder value creation, and the group employs a large retail store workforce in entry-level roles alongside a smaller number of specialist pharmacy, buying, planning, finance and IT roles that attract scarce skills premiums. Both factors widen the distribution of remuneration across the group.

Total rewards framework and components

The total rewards framework provides flexibility to meet the differing needs of our employees. It comprises monetary and non-monetary rewards and is provided to employees in exchange for their time, efforts, talent and results.

Remuneration framework

Annual guaranteed pay		
Annual fixed pay based on role and level		
Basic salary	Allowances	Benefits
Based on the job grade (size of job determined through the Hay job evaluation), skill pool, nature of the job, market position relative to its defined market, individual performance and contribution, and position in the pay band relative to competence and talent positioning.	Car allowance and other guaranteed allowances.	Retirement fund, group life and disability cover, and medical aid (all based on flexible contribution levels).

Short-term incentive		**Long-term incentive**	
Discretionary pay items that are contingent upon performance or results achieved at the organisational, team or individual level			
Cash STI	Retail store incentive scheme	LTI scheme	Group retention scheme
Annual cash-based STI bonus based on the achievement of a combination of group, business unit and individual performance. The value of the payout is subject to the application of the ESG modifier rules.	Quarterly cash-based incentive paid to retail store staff for the achievement of quarterly store sales targets.	Cash-settled LTI based on the contribution to the sustained performance of the group. The value of the payout is subject to the application of the ESG modifier rules.	Long-term financial incentive aimed at retaining critical and scarce skills, high-potential and senior black talent.

Below is a detailed breakdown of the key remuneration elements that make up the remuneration package:

Policy applicability guide

The group's key remuneration elements and their applicability are shown below:

	Employee levels			
Policy element	Group executives	Senior management	Middle management	Other employees, including unionised employees
Annual guaranteed pay	●	●	●	●
Cash STI	●	●	●	● (Except retail store employees)
Retail store incentive				● (Only retail store employees)
LTI scheme	●	●		
Group retention scheme	●	●	●	

Non-executive directors' fees

The fee structure for non-executive directors is based on a review of several internal, economic and market factors. The group's policy is to pay non-executive director fees within 80% to 120% of the median of a comparator group of JSE-listed retail companies. The median is based on the number of board and board committee meetings held per annum.

The board fee structure is independently benchmarked by a specialist remuneration consultancy every three years. In the intervening years directors' fees are increased in accordance with the group's annual overnight increase.

Non-executive directors receive a meeting fee to attend board committee meetings as non-committee members at the invitation of the board chairman or board committee chairman.

The chair of the board receives a composite fee, without any allowance for membership of any board committee or attendance at any committee meeting as an invitee.

Additional fair and reasonable remuneration can be determined to be payable to non-executive directors for extraordinary attendances.

Non-executive directors are reimbursed for travel expenses on official business, where necessary, as well as other direct business-related expenses.

Non-executive directors are not eligible to receive any short-term or long-term incentives.

The fees for the 2027 calendar year are subject to approval by the shareholders at the AGM in January 2027. The board fees are proposed to increase as detailed below.

Board position	Proposed total fee (R)	Total fee (R)	% change
Board chairman[1]	**2 500 000**	2 500 000	0%
Lead independent director[2]	**720 000**	–	>100%
Board member	**547 654**	547 654	0%
Chair: audit and risk committee	**533 974**	533 974	0%
Member: audit and risk committee	**263 232**	263 232	0%
Chair: remuneration committee	**261 027**	261 027	0%
Member: remuneration committee	**123 645**	123 645	0%
Chair: social and ethics committee	**186 701**	186 701	0%
Member: social and ethics committee	**87 127**	87 127	0%
Chair: nomination committee[3]	**–**	–	0%
Member: nomination committee	**123 645**	123 645	0%

[1] The chairman's fee is inclusive of all committees. The number of members (except for the board) does not include the chairman who is an invitee to all board committee meetings.

[2] The fee is benchmarked against a peer group of companies to ensure alignment with market practice. The lead independent director receives an additional fee in recognition of the increased governance responsibilities, accountability, stakeholder engagement and time commitment associated with the role beyond those of other non-executive directors.

[3] The nomination committee has been reconstituted from the 2026 financial year with the board chairman as the chair of the committee. The other members of the nomination committee will comprise the lead independent director and the chair of the social and ethics committee.

The fees paid to non-executive directors during the year, reflecting their respective board and committee responsibilities and periods of service, are set out below.

Non-executive directors' fees

	2026 directors' fees			2025 directors' fees		
Director	Holding company	Subsidiary companies	Total	Holding company	Subsidiary companies	Total
David Nurek[1]	–	–	**–**	828	–	**828**
Albertus van Sittert[2]	361	–	**361**	–	–	**–**
Mfundiso Njeke[3]	2 473	–	**2 473**	1 808	–	**1 808**
Penelope Moumakwa[4]	657	106	**763**	593	100	**693**
Sango Ntsaluba[5]	1 160	–	**1 160**	1 001	–	**1 001**
Richard Inskip	953	–	**953**	828	–	**828**
Nomgando Matyumza	1 054	–	**1 054**	933	–	**933**
Christine Ramon	1 218	–	**1 218**	1 023	–	**1 023**
Total	**7 876**	**106**	**7 982**	**7 014**	**100**	**7 114**
Total directors' remuneration (R'000)						
Executive directors			**41 213**			47 950
Non-executive directors			**7 982**			7 114
Total directors' remuneration			**49 195**			55 064

[1] Retired as a non-executive director and chair 30 January 2025.

[2] Appointed as a non-executive director 1 February 2026.

[3] Appointed as independent non-executive chairman effective 30 January 2025.

[4] Includes fees for serving as a director of New Clicks South Africa Proprietary Limited.

[5] Appointed as lead independent director effective 30 January 2025.