

## WOOLWORTHS HOLDINGS LIMITED

### MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD IN THE AUDITORIUM, WOOLWORTHS HOUSE, ON MONDAY, 30 NOVEMBER 2015 AT 10h00

#### 1. CHAIRMAN

The Chairman of the Board, Simon Susman, chaired the meeting.

#### 2. PRESENT

<b>DIRECTORS:</b>	Simon Susman (Chairman) Peter Bacon Hubert Brody Mike Leeming Ian Moir Zyda Rylands	Tom Boardman (LID) Zarina Bassa Reeza Isaacs Nombulelo Moholi Sam Ngumeni Thina Siwendu
<b>Attending via videoconference:</b>	Patrick Allaway (Australia) Lord Rose (UK)	Andrew Higginson (UK)
<b>GROUP SECRETARY:</b>	Thobeka Sishuba	
<b>EXTERNAL AUDITORS (EY):</b>	Lucian Rolleston	Stephanos Miliatos
<b>LEGAL ADVISORS (ENS):</b>	Adriaan Hoeben Tasleema Dramat	Lawrence Helman
<b>TRANSFER SECRETARIES: (Computershare &amp; Lumi)</b>	Izzy van Schoor Michael Wenner Garrick Pallant (Lumi)	Sandy Elhers Tokologo Kgatele
<b>SHAREHOLDERS:</b>	40 shareholders were present in person (including directors and officials holding shares). Proxies, shareholders and shareholder representatives, representing 729 223 996 shares or 76.11% of the issued share capital entitled to vote, were received.	
<b>VISITORS:</b>	48 visitors signed the visitors' attendance register.	

#### 3. WELCOME AND APOLOGIES

The Chairman welcomed all to the Annual General Meeting (AGM). Apologies were received from Gail Kelly, the recently-appointed Australian director who was unable to attend the meeting.

#### 4. CONSTITUTION OF THE MEETING

The Chairman confirmed that in terms of the Companies Act 71 of 2008 ("the Act"), the required quorum was present.

#### 5. NOTICE OF ANNUAL GENERAL MEETING

The notice of the AGM for the year ended 28 June 2015, as distributed to shareholders on 12 October 2015, was taken as read.

## **6. VOTING RIGHTS OF SHARES**

The Woolworths Holdings Share Trust held 1 262 978 ordinary shares and participants of the Restricted Share Plan Scheme were excluded from voting on special resolution number 5.

It was further noted that in terms of Section 48 of the Companies Act, the 84 261 465 treasury shares held by E-Com Investments 16 (Pty) Ltd and Woolworths (Pty) Ltd were precluded from voting on any resolution.

The Chairman, having the required authority, informed the meeting that all resolutions would be decided utilising a poll.

## **7. MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 26 November 2014, signed by the Chairman as a true record on 12 November 2015, were available for shareholders on the company's website.

## **8. PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS AND REPORTS**

The audited consolidated Annual Financial Statements of the company incorporating the directors' report, the independent auditor's report and report of the Audit Committee for the financial year ended 28 June 2015, were taken as read.

Shareholders enquired on the reasons behind their being no external audits on sourcing of products from Israel and occupied territories. The Group Chief Executive Officer, Ian Moir reported that management did not dictate to external auditors on their audit scope. The meeting was advised that trading with Israel accounted for one-tenth of 1% of the Group's turnover and external auditors would have considered the materiality of the information.

It was reported that the BDS campaign had no material effect on the Group's financial performance during the course of the year. As highlighted in the financial results, the business had traded ahead of the market and taken market share.

As the government had a treaty with Israel to allow trade, the company relied on the South African legal requirements. Independent external auditors conducted audits on a majority of our suppliers, particularly large suppliers to ensure that they adhered to the Group's ethics and Code of Business Principles.

## **9. ORDINARY RESOLUTION NUMBER 1: RE-ELECTION OF DIRECTORS**

Patrick Allaway, Tom Boardman, Andrew Higginson, Gail Kelly, Zyda Rylands and Thina Siwendu were due to retire as directors of the company and being eligible offered themselves for re-election, each by way of a separate vote.

Tom Boardman confirmed that the Group endeavoured to do what was right, moral, ethical, sustainable and best for the company and its stakeholders. He advised shareholders that the company complied with all applicable legislation.

The Board was asked to provide details on the Group's importation of clothing and its effect on the carbon footprint compared to locally produced clothing and whether the Group was deliberately misleading the public and thus not necessarily ethical from an environmental perspective. It was reported that the business imported a significant amount of clothing from outside South Africa and approximately 40% of clothing was sourced from SADC countries. The business' strategy was to ensure that well-priced and well-made garments were offered to customers, whilst remaining committed to supply chains with a focus on environmental matters.

The Chief Executive Officer of Woolworths South Africa, Zyda Rylands assured shareholders that as a proudly South African business, the majority of food and clothing sold in stores, by volume, had been manufactured in South Africa. The business had a global sourcing policy which was implemented due to seasonality and when quality and innovative products could not be sourced locally.

It was **RESOLVED** that Patrick Allaway, Tom Boardman, Andrew Higginson, Gail Kelly, Zyda Rylands and Thina Siwendu be and are hereby elected as directors of the company.

**10. ORDINARY RESOLUTION NUMBER 2: RE-APPOINTMENT OF AUDITORS**

The re-appointment of the company's auditors was tabled. It was noted that the Audit Committee was satisfied that the auditors were independent and accredited with the JSE and had recommended their re-appointment.

It was **RESOLVED** that the re-appointment of EY as the Group's external auditors be and is hereby approved.

**11. ORDINARY RESOLUTION NUMBER 3: ELECTION OF AUDIT COMMITTEE MEMBERS**

Members of the Audit Committee of the company by way of separate votes offered themselves for re-election.

It was **RESOLVED** that Patrick Allaway, Peter Bacon, Zarina Bassa, Hubert Brody and Andrew Higginson be and are hereby elected as members of the company's Audit Committee until the conclusion of the next general meeting of the company.

**12. NON-BINDING ADVISORY RESOLUTION NUMBER 1: APPROVAL OF THE REMUNERATION POLICY**

It was **RESOLVED** as a non-binding advisory note that the company's remuneration policy, as set out on pages 108 to 136 of the 2015 Integrated report, be and is hereby approved in terms of the King Report on Corporate Governance for South Africa 2009.

**13. SPECIAL RESOLUTION NUMBER 1: REMUNERATION FOR THE NON-EXECUTIVE DIRECTORS**

Management in finalising the Non-Executive Director fees for 2016 had taken into consideration the significant changes that the business had undergone in terms of size and complexity during the course of the year. The proposed fees had been benchmarked against South African retailers, the Top 30 on the JSE and against the Top 10 companies on the JSE with revenue from overseas. A similar exercise had been done for Australia and the United Kingdom.

13.1 It was **RESOLVED** that the remuneration paid to Patrick Allaway for the quarter 1 October 2014 to 31 December 2014, be and is hereby approved.

13.2 It was **RESOLVED** that the remuneration paid to Patrick Allaway from 1 January 2015 to 31 December 2015 as a director and committee member of WHL as well as director and Chairman of the Australian subsidiaries, be and is hereby approved.

13.3 It was **RESOLVED** that the remuneration paid to Gail Kelly from 1 October 2015 to 31 December 2015 as a director and committee member of WHL as well as a director of the Australian subsidiaries be and is hereby approved.

13.4 It was **RESOLVED** that fees paid to members of the Audit Committee for their attendance at the Treasury Committee meetings during 2015 be and are hereby approved.

13.5 It was **RESOLVED** that the remuneration payable to the non-executive directors for the period 1 January 2016 to 31 December 2016, details of which are set out in Annexure A, be and is hereby approved.

**14. SPECIAL RESOLUTION NUMBER 2: AMENDMENTS TO THE MEMORANDUM OF INCORPORATION**

It was **RESOLVED** that the amendments to the company's Memorandum of Incorporation be and are hereby approved. The amendments would be filed with the CIPC within the regulated period.

**15. SPECIAL RESOLUTION NUMBER 3: GENERAL AUTHORITY TO REPURCHASE SHARES**

It was **RESOLVED** that the company and its subsidiaries be and are hereby granted a general authority in terms of the Listings Requirements of the JSE Limited ("JSE") for the acquisition by the company and/or its subsidiaries of securities (as that term is defined in the Companies Act 71 of 2008 ("Companies Act") issued by the company, on such terms and conditions as the directors may deem fit, subject to compliance with the provisions of section 48 read with section 46 of the Companies Act.

**16. SPECIAL RESOLUTION NUMBER 4: FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES (INCORPORATED IN SOUTH AFRICA AND INTERNATIONAL)**

It was **RESOLVED** as a special resolution that, to the extent required in terms of, and subject to the provisions of, section 45 of the Companies Act and the requirements (if applicable) of the company's Memorandum of Incorporation and the Listings Requirements of the JSE, the provision by the company at any time and from time to time during the period of two years commencing on the date of the adoption of the special resolution, of direct or indirect financial assistance to any related or inter-related company of the company on such terms and conditions as the directors deemed fit.

**17. SPECIAL RESOLUTION NUMBER 5: ISSUE OF SHARES OR OPTIONS AND GRANT OF FINANCIAL ASSISTANCE IN TERMS OF THE COMPANY'S SHARE-BASED INCENTIVE SCHEMES**

It was **RESOLVED** that, to the extent required in terms of, and subject to the provisions of, sections 41, 42, 44 and 45 of the Companies Act and the requirements, if applicable, of the company's Memorandum of Incorporation and the Listings Requirements of the JSE:

- 17.1 the issue by the company of shares or securities convertible into shares, or the grant by the company of options for the allotment or subscription of shares or other securities of the company or the grant of any other rights exercisable for securities of the company; and/or
- 17.2 the provision by the company of direct or indirect financial assistance (whether by way of loan, guarantee, the provision of security or otherwise) in connection with the subscription of any option or any securities issued or to be issued by the company or for the purchase of any securities of the company or of a related or inter-related company, at any time and from time to time during the period of two years commencing on the date of the adoption of this special resolution, to the Woolworths Holdings Share Trust or to a director, future director, prescribed officer or future prescribed officer of the company or to a person related or inter-related to the company or to a director or prescribed officer of the company or to their respective nominees, in accordance with the provisions of the Woolworths Holdings Share Trust and/or in accordance with the provisions of any other share-based incentive scheme established by the company, be approved.



## **18. SEC REPORT TO SHAREHOLDERS**

The chairman of the SEC, Thina Siwendu presented the SEC Report and reported on 2015 highlights including:

- the Group's continued focus on the transformation journey;
- donations to communities;
- human capital transformation;
- the end of the BEEESOS Scheme on 30 June 2015 resulting in participating employees owning shares or receiving pay-outs for the shares allocated to them;
- the establishment of the Education Fund following the end of the BEEESOS scheme;
- environmental matters, including ethical sourcing;
- human rights declarations; and
- health and public safety.

It was reported that the company had won numerous sustainability awards including the Best Public company from the Ethical Corporation Responsible Business Awards. The Group had embarked on a journey to manage ethical supply chain risk and to further embed the responsibility for improving the lives of workers in the Group's global supply chains. Ethical sourcing was primarily driven through the Group's Code of Business Principles and supplier audits performed by independent service providers.

Corporate Social Investment was managed by the Woolworths Trust, and was responsible for providing support to various charities including child safety to vulnerable children, education and creation of food gardens in schools and communities through various projects including Mandela Day and World Food Day. In 2015, the business donated approximately R590m to various projects and charities across South Africa and contributed directly to upliftment projects through the Woolworths Trust and through donation of surplus food and clothing supplies. Through the MySchool initiative the business donated almost R60m in total and over R4.5m per month, on behalf of customers, to 8 207 schools, environmental and social charities. The business extended its gratitude to approximately 885 000 active MySchool supporters. In Australia, David Jones contributed R12.8m to various Breast Cancer initiatives and charities and the Country Road Group had contributed R35.6m to a range of charity partners.

Ms Siwendu confirmed that the SEC was satisfied that the business was conducted in a manner that reflected the Group's core values and compliance with legislation.

## **19. RESULTS OF THE POLL**

Detailed results of the poll are attached to these minutes as Addendum 1.

## **20. RETIRING DIRECTOR**

The Chairman noted that Mike Leeming would be retiring from the Board at the conclusion of the meeting after serving 11 years as a director. His contribution to the Board and the company had been immeasurable and the Board wished him well in his retirement.

## **21. SHAREHOLDER QUESTIONS AND RESPONSES**

During the course of the AGM, the following questions were raised by shareholders and the Board's and management's responses are highlighted below each query:

- (i) *Can the company consider sourcing products available locally thus empowering local suppliers?*

The business was committed to source from South African suppliers. 92% of Woolworths food was sourced from South Africa and the business had engaged with local small and medium enterprises to develop their abilities to source goods that the

company could purchase. In the event Woolworths was unable to source quality products from local suppliers or due to seasonality, these would be sourced elsewhere.

- (ii) *Are audits on supplier ethical sourcing policies including secondary suppliers performed?*

The Group had the majority of its suppliers audited and sought to audit with time, all its suppliers. There were audit processes in place to ensure that suppliers strictly adhered to the company's policies, guidelines and code of conduct as well as the UN or any other applicable piece of legislation. Audit reports were provided on a continuous basis, however, the reports were not disclosed to the public.

- (iii) *Is management able to provide a list of Israeli suppliers to shareholders?*

As a practice, the business did not disclose the names of the company's suppliers.

- (iv) *Has Woolworths as a retailer in South Africa breached the laws of this country?*

The business adhered to legislation and had not breached any laws.

- (v) *Can management provide an explanation on the mislabelling of products given the penalties imposed by the Prevention of Organised Crime Act (POCA) and the company's persistence on trading with Israel despite the insignificant contribution to Group profits?*

The investigation on mislabelling was not only focussed on Woolworths but also the industry. Mislabelling mistakes were not intentional to confuse customers on the originality of sourced products and the company was transparent and advised its customers accordingly. Shareholders were encouraged to advise management on any details of suppliers suspected of any wrongdoing and involved in mislabelling products.

- (vi) *Is there an effective risk management process in trading with Israel as this might be considered a significant risk?*

A rigorous process reviewed risks within the Group and considered materiality. Risk management processes were determined and appropriate action was taken to ensure that imported products were from mentioned countries.

- (vii) *Can management provide the name of the country from which Woolworths imported most of its clothing?*

The business would not be providing shareholders with details of suppliers.

- (viii) *Can management quantify the carbon footprint from imported clothing compared to locally made clothing, and provide the information to shareholders?*

Management would not provide shareholders with quantification of the carbon footprint from imported clothing compared to locally made clothing.

- (ix) *How does the company define what is considered a political issue as the company's stance on not sourcing from occupied territories might be construed as a political issue?*

The decision to not import from occupied territories was not regarded as political.

- (x) *Can management and the Board comment on allegations that Woolworths had employed third parties to tap phones and investigate organisations investigating the company?*

Management confirmed that they had not engaged third parties to tap phones and investigate organisations scrutinising the Group. Shareholders were welcome to provide management with any further information.

- (xi) *Can management and the Board comment on allegations of Woolworths intimidating certain media houses to discontinue reporting unfavourable coverage on the boycott movements campaign or risk cancellation of advertising contracts?*

Management confirmed that the business had not been involved in the intimidation of any media houses to discontinue reporting purported negative coverage as a result of the BDS campaign. Shareholders were encouraged to inform management on any further details regarding this matter.

- (xii) *Does the Group comply with the United Nations Global Compact and the United Nations guiding principles on business and human rights, specifically identifying G4S Security as one of several companies involved in the illegal occupation of Palestine and whether the company would continue its contract with G4S if the security company renewed its contracts in the occupied territories?*

Management confirmed that they would continue the contract with G4S as long as the company complied with the Woolworths' code of business and G4S continued to provide excellent service.

- (xiii) *Will Woolworths implement an appropriate and thorough screening process of Israeli partners to investigate any participation and benefits from laws and practices that breached international human rights laws? Would management you please clarify on the process and provide feedback?*

There was already a thorough process of screening suppliers which would be implemented on Israeli partners in due course.

- (xiv) *Does the Group comply with paying minimum wage to its employees, permanent and contracted at distribution centres?*

The company did not pay wages lower than minimum wage to its employees.

- (xv) *Can management comment on whether a store located in Cape Town had indeed closed down as a result of not achieving turnover targets?*

Management were unaware of a store closing down as a result of not having achieved turnover targets.

## **22. CHAIRMAN'S STATEMENT**

The Chairman provided responses on questions emailed to management by shareholders noted below:

- *Provision of details of all reports that the Board had received from independent auditors and other advisors, both internal and external, other than Annual Financial Statements.*

As a matter of general policy and in accordance with all legal requirements and prudent practice, the Woolworths Board does not circulate internal reports.

- *Reconciliation of the Group's trade with Israeli suppliers with good governance under the King Code.*



Under the King Code, the Board must determine and implement policies and strategies, which comply with good corporate governance and serve the best interests of the company, including in respect of strategy, risk, performance and sustainability.

- *VAT and transfer pricing on trade with Israeli suppliers.*

The Group applied the same rigorous tax compliance standards in respect of its trade with Israeli suppliers as with all suppliers and other contracting parties.

- *Compliance of the Group's trade with Israeli suppliers with the JSE Socially Responsible Investment Index.*

The Board maintained that WHL achieved the very highest levels of compliance with these requirements.

- *The company Secretary's compliance with statutory duties in terms of section 88 of the Companies Act.*

This section provided that the company secretary was accountable to the Board, and should ensure that the directors were aware of any law relevant to or affecting the company. The Board was satisfied that the company Secretary had fully and effectually discharged her obligations under the section.

- *Compliance of directors with their statutory duties in terms of sections 76 and 77 of the Companies Act, having regard to the company's trade with Israeli suppliers.*

The primary duty and responsibility of the directors in such circumstances was to act fairly and impartially in accordance with all applicable laws, policies and ethical and governance standards and requirements, whilst at the same time serving the best interests of the company. It was noted that the Board had demonstrated and continued to demonstrate, in the reports tabled at Board meetings, the highest levels of compliance with the statutory requirements.

- *Ethical standards and prudence of detailed aspects of the Group's procurement, as well as supply chain management.*

Shareholders were assured that all procurement and supply chain management was conducted in accordance with prudent policies and compliant, best practice business standards. It was not considered appropriate nor productive to go into operational detail at the AGM.

To ensure that shareholders who were not able to attend the AGM received feedback to their questions, the posed questions and answers would be posted on the company's website.

## 23. CLOSE

There being no further business to discuss, the Chairman thanked the shareholders and attendees for their attendance and contribution and declared the meeting closed.

APPROVED AND SIGNED THIS 10<sup>th</sup> DAY OF November 2016.



CHAIRMAN



# ANNEXURE A

	Actual for the period 1 January 2015 to 31 December 2015	Proposed for the period 1 January 2016 to 31 December 2016	% Increase
Chairman	R1 075 000	R1 510 000	40%
Lead Independent Director	R322 500	R550 000	71%
UK Director	£46 225	£73 000	58%
AUS Director*	*A\$150 000	*A\$150 000	0%
SA Director	R268 750	R350 000	30%
Chairman Audit	R246 400	R310 000	26%
Member Audit	R123 200	R170 000	38%
Chairman Remuneration	R195 650	R210 000	7%
Member Remuneration	R97 825	R110 000	12%
Chairman Risk	R175 000	R210 000	20%
Member Risk	R87 500	R110 000	26%
Chairman Social and ethics	R155 875	R170 000	9%
Member Social and ethics	R78 475	R100 000	27%
Chairman Nominations	R95 675	R160 000	67%
Member Nominations	R58 050	R100 000	72%
Chairman Sustainability	R155 875	R170 000	9%
Member Sustainability	R78 475	R100 000	27%
Hourly rate for additional service	R3 900	R4 800	23%
Treasury Committee attendance <sup>1</sup>	R40 000	R40 000	0%
AUS Director and Chairman of Australian subsidiaries committees <sup>2</sup>	A\$150 000	*A\$150 000	0%
AUS Director <sup>3</sup>	*A\$75 000	*A\$75 000	0%

<sup>1</sup> The Treasury Committee was constituted in February 2015.

<sup>2</sup> Appointment of P Allaway to DJ and CRG boards effective January 2015

<sup>3</sup> Appointment of G Kelly to DJ and CRG boards effective October 2015

**WOOLWORTHS HOLDINGS LIMITED – RESULTS OF THE 2015 ANNUAL GENERAL MEETING**

	VOTES FOR	VOTES AGAINST	VOTES WITHHELD	VOTES TOTAL
<b>Ordinary Resolution 1: Re-election of Directors-</b>				
• Mr Patrick Allaway	718,687,258 (98.56%)	6,449,245 (0.88%)	4,064,046 (0.56%)	729,200,549
• Mr Tom Boardman	724,861,773 (99.40%)	1,656,470 (0.23%)	2,687,347 (0.37%)	729,206,546
• Mr Andrew Higginson	699,783,328 (95.97%)	20,494,422 (2.81%)	8,928,792 (1.22%)	729,206,542
• Mrs Gail Kelly	726,336,539 (99.60%)	186,137 (0.03%)	2,683,872 (0.37%)	729,206,548
• Ms Zyda Rylands	726,340,018 (99.60%)	199,854 (0.03%)	2,683,873 (0.37%)	729,223,745
• Ms Thina Siwendu	726,340,019 (99.60%)	182,653 (0.03%)	2,683,873 (0.37%)	729,206,545
<b>Ordinary Resolution 2: Re-appointment of Auditors</b>	722,741,620 (99.11%)	3,770,618 (0.52%)	2,687,353 (0.37%)	729,200,547
<b>Ordinary Resolution 3: Election of Audit Committee Members-</b>				
• Mr Patrick Allaway	726,304,751 (99.62%)	61,181 (0.01%)	2,683,870 (0.37%)	729,050,758
• Mr Peter Bacon	725,102,649 (99.44%)	1,391,189 (0.19%)	2,683,870 (0.37%)	729,178,664
• Ms Zarina Bassa	712,105,889 (97.65%)	14,412,348 (1.98%)	2,683,870 (0.37%)	729,203,063
• Mr Hubert Brody	726,417,562 (99.62%)	94,673 (0.01%)	2,683,870 (0.37%)	729,197,061
• Mr Andrew Higginson	692,840,131 (95.02%)	33,640,893 (4.61%)	2,689,464 (0.37%)	729,171,444
<b>Non-binding advisory Resolution 1: Approval of the Remuneration Policy</b>	684,372,000 (93.85%)	11,344,183 (1.56%)	33,485,923 (4.59%)	729,203,062
<b>Special Resolution 1: Remuneration for Non-Executive Directors-</b>				
• Ratification of the remuneration paid to Mr P Allaway for the quarter ended 31 Dec 2014.	719,938,344 (98.73%)	1,689,530 (0.23%)	7,548,624 (1.04%)	729,177,454
• Ratification of the remuneration paid to Mr P Allaway in 2015 for WHL and Australian subsidiaries.	723,163,366 (99.40%)	1,689,520 (0.23%)	2,683,876 (0.37%)	727,537,718
• Ratification of remuneration paid to Mrs G Kelly in 2015 for WHL and Australian subsidiaries.	724,828,711 (99.40%)	1,683,521 (0.23%)	2,683,877 (0.37%)	729,197,065
• Ratification of fees paid to Audit Committee Members for their attendance at Treasury Committee meetings in 2015.	725,215,115 (99.45%)	849,846 (0.12%)	3,131,151 (0.43%)	729,197,068
• Approval of the remuneration for 2016.	712,111,515 (97.66%)	14,395,130 (1.97%)	2,689,464 (0.37%)	729,197,065
<b>Special Resolution 2: Amendments to the Memorandum of Incorporation</b>	726,481,601 (99.63%)	5,019 (0.00%)	2,683,872 (0.37%)	729,171,448
<b>Special Resolution 3: General Authority to Repurchase Shares</b>	723,783,576 (99.43%)	1,024,417 (0.14%)	3,131,145 (0.43%)	727,940,094
<b>Special Resolution 4: Financial Assistance to Related or Inter-related Companies</b>	699,633,125 (95.94%)	22,061,657 (3.03%)	7,501,326 (1.03%)	729,197,064
<b>Special Resolution 5: Issue of shares or options and grant of financial assistance in terms of the company's share-based incentive schemes</b>	705,886,114 (97.05%)	18,754,164 (2.58%)	2,683,876 (0.37%)	727,325,110