

WOOLWORTHS HOLDINGS LIMITED

CONFLICTS OF INTEREST POLICY

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WOOLWORTHS HOLDINGS LIMITED CONFLICTS OF INTEREST POLICY

1. INTRODUCTION

Our values inform and underpin the way we operate. From values based leadership to passionate brand advocacy, we seek to embed our values across all dimensions of the Business.

2. OBJECTIVES

Potential conflicts of interest are inherent in any business. The objectives of this policy are to:

- provide guidance on the behaviours expected, in accordance with the Business' values;
- avoid Business-related conflicts of interest and promote transparency;
- ensure fairness in the interests of employees and the Business;
- provide a mechanism for the objective review of outside commercial interests; and
- set out the process required to identify and manage actual, potential or perceived conflicts of interest.

In accordance with an Employee's obligation to act in the best interest of the Business, it is not permissible for Employees to engage in conduct, whether by acting or failing to act, which would amount to a conflict of interest with the Business. Employment contracts refer to conflicts of interest and all Employees are bound by this in reference to the detail contained in this policy.

3. DEFINITIONS

The Business is defined as Woolworths Holdings Limited ("WHL") and its subsidiary companies including Woolworths South Africa, David Jones and Country Road Group.

Conflict of interest, occurs when there is a direct or indirect conflict, in fact or in appearance, between the interest of an Employee and that of the Business. It applies to financial, economic and other interests in any opportunity from which the Business may benefit, as well as use of the property, including information, of the Business. *Conflicts of interest may arise in areas such as:* personal investments; outside employment in addition to your current role; advisory roles; serving on boards and committees; starting your own commercial enterprise; commercial opportunities found through your employment; designs and inventions; commercial involvement with friends and family; co-worker relationships; accepting gifts, entertainment and other courtesies.

Employees, for the purposes of this policy are defined as permanent employees and management, including executive committee ("Exco") members and executive directors of the Business.

Associates are defined as:

- the Employee's family;
- any company or close corporation in which the employee or any of the employee's family beneficially holds an interest of 51% or more; and
- trusts established for the employee and/ or their family, where they are jointly entitled to more than 51% of the trust assets.

Family, for purposes of this policy, includes spouse, life partner, children, parents, siblings, grandparents, uncles and aunts.

When faced with a situation that could give rise to a potential conflict of interest, ask yourself:

- Would this relationship or situation create a personal gain for me, or be perceived by others to create an incentive for me, to benefit myself, my friends or my family, or an associated commercial enterprise at the expense of the Business?
- Would this activity harm my reputation, negatively impact my ability to do my job, or potentially harm the Business?
- Would this activity harm the reputation of the Business or me if it showed up on the front page of a newspaper, magazine or on social media?

If the answer to any of these questions is “yes,” the relationship or situation is likely to create a conflict of interest.

If you are considering entering into a situation that creates a conflict of interest, or if you are in a situation that may potentially create a conflict of interest or the appearance of a conflict of interest, review the situation with your line manager and Human Resources (“HR”) or the Company Secretary. It is also important to be aware that as circumstances change, a situation that previously did not present a conflict of interest may suddenly present one.

4. SCOPE

Compliance with the conflicts of interest policy is required of all Employees across the Business.

5. POLICY REQUIREMENTS

5.1 Conflicts Of Interest

The table below sets out general rules at different employee levels in order to avoid conflicts of interest, any exceptions must be approved as set out under 5.4 Management of Exceptions:

REQUIREMENT		EXEC. DIRECTORS	EXEC. DIRECTORS AND EXCO	EXCO.'s DIRECT REPORTS	DEPT. MANAGER AND ABOVE	ALL EMPLOYEES
1.	Cannot own shares or have a financial interest in an unlisted supplier of the Business.	X	X	X		
2.	Cannot have financial arrangements or interests with a supplier or other business partner in their direct business area.	X	X	X	X	
3.	Cannot have an interest in any commercially active social media or online entity where such an interest has not been disclosed to the WHL Public Relations department.	X	X	X	X	
4.	Cannot accept formal employment/ consulting arrangements with any outside business.	X	X	X	X	

REQUIREMENT		EXEC. DIRECTORS	EXEC. DIRECTORS AND EXCO	EXCO.'s DIRECT REPORTS	DEPT. MANAGER AND ABOVE	ALL EMPLOYEES
5.	Cannot own shares (excluding indirect ownership) in an unlisted clothing, home, beauty or food retailer.	X	X	X	X	
6.	Cannot have a financial interest (excluding owning shares) in an unlisted supplier who provides goods/ services to a clothing, home, beauty or food retailer.	X	X	X	X	X
7.	Serving on Boards and Committees: All employees must obtain approval from HR prior to accepting any position to serve in any commercial entity on a board, an advisory board or on a committee. Appointments at the behest of the Business do not require such approval.	X	X	X	X	X
8.	Cannot have outside business interests which require involvement during the employee's normal business hours.	X	X	X	X	X

In addition to the above, Employees may not:

- acquire any commercial interest or participate in any activity outside of the Business which would create or appear to create:
 - an excessive demand upon their work time, attention and energy which would deprive the Business of their best efforts on the job; or
 - an obligation, interest or distraction which would interfere or appear to interfere with their exercising independent judgement in the Business' best interest.
- take up any outside employment without the prior written approval of the responsible line manager, head of department and HR.
- seek or accept in their personal capacity, financial payments, payments for goods and/ or services, loans, shares or any preferential treatment from actual or potential suppliers of the Business;
- accept or place business, or conclude contracts or arrangements on behalf of the Business for any personal financial gain or improper motive;
- have a financial interest in any transactions to which the Business is a party, if such interest might in any way influence the performance of his/ her duties for the Business;
- use or disclose any information obtained from the Business for personal gain or any other reason other than that authorised for Business purposes;
- authorise a loan to him/ herself;
- secure, source, canvass or promote any commerce or commercial activities for an external company, supplier or contractor, where such employee and/ or his/ her associates stand to gain directly, indirectly or in any other way which may be deemed to be unethical;
- unduly influence or attempt to influence anyone with the view of obtaining any appointment, promotion, privilege, advantage or benefit for a family member;
- use contacts made and/ or information obtained from the Business' suppliers in the advancement of private commercial interests;
- sell store merchandise on the basis that the purchaser believes it is a legitimate sale on behalf of the business e.g. merchandise purchased in the Sample Shop or on Waste; and
- act in any other manner that could be construed or interpreted as a conflict of interest.

5.2 Disclosure of Commercial Interests

5.2.1 Disclosure at Time of Recruitment

During the recruitment process, all potential employee candidates shall be required to disclose details of any:

- financial interests in unlisted suppliers of the Business;
- associates employed by the Business and their position;
- trading interests, if the position is a direct report to Exco member or above;
- directorships or membership of Board committees; and
- an interest in any commercially active social media or online entity.

Line management and HR are required to review the information disclosed and ensure that any conflict of interest is appropriately dealt with prior to employment.

5.2.2 Disclosure During a Tender Process

Employees involved in a tender process and recruiting of potential suppliers are required to disclose any potential and/ or actual conflict of interest.

5.2.3 Continuous Disclosure

All employees are required to formally disclose, in writing, potential and/ or actual conflicts of interest:

- as they arise; and
- any changes in a previously approved arrangement;

to their line manager and HR. It should be noted that the disclosure of a conflict does not constitute approval and is subject to review and approval at the discretion of the Business.

5.2.4 Annual Disclosure

The declaration of conflicts of interest is a standing agenda item for all Board and committee meetings and the subject of an annual declaration by Exco members, their direct reports and department managers.

On an annual basis, the executive directors, Exco members, direct reports to Exco and members of any tender/ procurement committee are requested to formally disclose, in writing, full details for themselves and their Associates, of any:

- shareholdings, or equivalent, in any company, close corporation, trust, partnership or other business entity, including details of the nature of the business and operation in instances where there may be a conflict of interest;
- directorship or position as an officer of any company or close corporation and the nature of the business and operation;
- trusteeship or position as officer of a trust and the nature of the business and operation; and
- commercial partnerships in which they are involved.

This register of interests will be maintained by the Compliance department.

5.3 Pre-Existing Arrangements

It is recognised that as at 15 February 2017, the effective date of this policy, there may be pre-existing arrangements which represent a conflict of interest in terms of this policy. These pre-existing arrangements should be disclosed to your line manager and HR, for consideration and

approval or satisfactory resolution. It should be noted that disclosure does not constitute approval and is subject to review and approval at the discretion of the Business.

Executive Directors and Exco members should report any conflicts of interest to the Group Company Secretary.

5.4 Management of Exceptions

There may be certain circumstances where outside commercial interests or outside employment contravene the strict terms of this policy but do not in actual fact represent a conflict of interest.

To this extent there is an approval process for exceptions as set out below:

- Exceptions for levels below management can be approved by the department manager.
- Exceptions for management levels can be approved by HR, formally and in writing.
- Exceptions for Exco members can be approved by the related subsidiary Board.
- Exceptions for executive directors can be approved by the WHL Board.

Approvals cannot be granted without consulting HR, or the Compliance department if necessary, and the Group Company Secretary.

5.5 Suspension and Disciplinary Process

If an employee does not comply with the terms of this policy, the Business will deal with the situation through disciplinary procedures as appropriate.

5.6 Fraudulent Conflicts of Interest

Should any conflict of interest be regarded as fraudulent or corrupt, then the terms of the Anti-Corruption and Sanctions Policy and Fraud, Theft and Corruption policy as well as the Code of Ethics and Conduct policy will also apply. Employees found guilty of any fraudulent conflict of interest shall have disciplinary proceedings instituted against them.

5.7 Tip-Offs

Should any employee become aware of any potential or actual conflict of interest, they are required to disclose this to their line manager or the Head of Internal Audit. All tip-offs shall be dealt with confidentially. The failure of employees to notify management of the potential conflict of interest may result in disciplinary action being taken against the affected individual/s.

Alternatively, employees can report a conflict of interest to the appropriate anonymous tip-offs line:

- In Africa - 0027 (0) 800 202592
- In Australia - 1800 689 602
- In New Zealand - 0800 402 336.

5.8 Disclosure and Whistleblower Protection

All information which is reported is treated as strictly confidential and employees may disclose information without fear of retribution and/or victimisation. These rights may, however, be forfeited in the following limited circumstances:

- the incident reported presents an immediate physical danger to any person;
- the information supplied is malicious and the person reporting it knows it to be untrue; and
- where the employee is involved in the wrongdoing being reported.

If you believe you are being victimised or retaliated against, please contact the Group Company Secretary (governance@woolworths.co.za); or anonymous tip-offs line above.

5.9 Friends and Relatives; Co-Worker Relationships

Avoid participating, on behalf of the Business, in a potential or existing Business commercial relationship involving your associates or close friends. This includes being the hiring manager for a position for which your associate or close friend is being considered or being a relationship manager for a commercial entity associated with your associate. To be clear, just because an associate or close friend works within the Business or becomes a competitor or Business partner does not mean there is a conflict of interest. However, if you are also involved in that commercial relationship, it can be very sensitive.

Finally, close personal relationships, inter alia, romantic relationships between co-workers can, depending on the work roles and respective positions of the co-workers involved, create an actual or apparent conflict of interest. If such a relationship does create an actual or apparent conflict, it may require changes to work arrangements or even the termination of employment of either or both individuals involved. In these situations, the right thing to do is to discuss the relationship with your line manager and HR.

6. OPERATION OF THE POLICY

If there is any doubt as to the operation of the policy, advice should be sought from your line manager or HR or, if required, the Compliance Department. Training for all affected employees will be provided by the line manager with the assistance of the Compliance Department.

The Head of Compliance will monitor compliance with this policy.

The owner of this Conflicts of Interest policy is the Group Company Secretary who will perform an annual review to ensure that it remains in keeping with the statutory requirements.