



WOOLWORTHS HOLDINGS LIMITED

*Terms of Reference of the
Nominations Committee*

START

TERMS OF REFERENCE OF THE NOMINATIONS COMMITTEE

1. CONSTITUTION

- 1.1 The Nominations Committee ("the Committee") is constituted as a Committee of Woolworths Holdings Limited ("the company" or "WHL") Board ("the Board").
- 1.2 The Committee shall be a standing Committee, with the composition and membership reviewed by the Board annually.
- 1.3 The Committee shall report to and derive its powers from the Board.
- 1.4 The deliberations of the Committee do not reduce the individual or collective responsibilities of the Board with regard to their fiduciary duties and responsibilities, and they must exercise due care, skill and diligence.
- 1.5 These Terms of Reference are subject to the provisions of the Companies Act No. 71 of 2008, as amended, the company's Memorandum of Incorporation, the JSE Listings Requirements and any other applicable law or regulatory provision and has been drafted with due consideration of the King IV™ IV Report on Corporate Governance for South Africa, 2016 ("King IV™").

2. COMPOSITION

- 2.1 The Chairman of the Committee ("Committee Chairman") and members of the Committee shall be appointed by the Board and shall comprise only non-executive directors, the majority of whom shall be independent.
- 2.2 In accordance with the JSE Listings Requirements, the Chairman of the Board must be the Chairman of the Committee. In the event the Chairman of the Board is not independent, then the Chairman of the Committee must be the Lead Independent Director.
- 2.3 The Committee shall comprise of at least three non-executive directors.
- 2.4 The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.
- 2.5 Invitations to attend the Committee meetings shall be extended to the Group Chief Executive Officer ("Group CEO"); and any other senior executives and professional advisors as deemed appropriate.
- 2.6 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not vote on resolutions or form part of the quorum for Committee meetings.
- 2.7 A quorum of the Committee shall be a majority of members.
- 2.8 In the absence of the Committee Chairman, the members present may nominate and elect one of their members to chair the meeting.
- 2.9 The Group Company Secretary shall be the secretary to the Committee.

3. ROLE OF THE COMMITTEE

The role of the Committee is to assist the Board with the nomination, election and appointment of directors and ensure a transparent and accountable process to determine an optimally diverse Board and committee composition. The Committee ensures that there is appropriate succession planning for the Chairman and directors.

4. MANDATE IN RESPECT OF SUBSIDIARIES

The Committee is appointed to act on behalf of WHL and its subsidiaries and incorporates feedback from Woolworths South Africa ("WSA"), David Jones ("DJ") and Country Road Group ("CRG") on nomination, election and appointment of director matters into the agendas of the Committee meetings.

The Committee is authorised by the Board to establish relevant sub-committees, within the subsidiary companies, constituted of appropriately qualified persons to assist in discharging its mandate in respect of any particular matter contained in these Terms of Reference.

5. RESPONSIBILITIES

The Committee shall operate within the Board's delegation of authority

In discharging its responsibilities to the Board, the Committee will:

- 5.1 regularly review the structure, size and composition of the Board and its Committees given the evolving circumstances of the company, (any regulatory requirement considerations)
- 5.2 ensure that there is a formal, transparent and accountable process for the nomination, election and appointment of the Board;
- 5.3 consider the appropriate balance in regard to diversity of the Board and committees, including business, commercial and industry experience;

- 5.4 recommend diversity targets for race and gender representation on the Board;
- 5.5 identify suitable members with desired competencies who meet the fit and proper criteria for election and appointment to the Board as and when vacancies arise and recommending the appointment and/ or removal of directors to the Board;
- 5.6 recommend to the Board the extension of non-executive directors' tenures having given regard to their performance and contribution to the Board in the light of knowledge, skills and experience required;
- 5.7 review and assess whether directors' professional commitments enable them to commit enough time for discharging their responsibilities;
- 5.8 ensure that there is an adequate induction programme for new directors;
- 5.9 oversee that there is a continuous professional development programme for Board on legal, corporate governance and risk management; as well as consider Store, Distribution Centre and supplier visits;
- 5.10 nominate a Lead Independent Director;
- 5.11 recommend the appointment of Chairman to the Committees;
- 5.12 assist the Chairman in evaluating the performance and independence of individual non-executive directors and recommending for re-election, those directors retiring by rotation based on the outcome of the performance evaluation;
- 5.13 review the performance of the Chairman and the Lead Independent Director;
- 5.14 develop formal succession plans for the Chairman, Lead Independent Director and the Board, and assess the Group CEO succession plan;
- 5.15 review recommendations from the Group CEO for the appointment and/ or removal of directors of subsidiaries of the company, for recommendation to the Board for approval;
- 5.16 review and recommend the appointment/or removal of the Group CEO and executives reporting directly to the Group CEO;
- 5.17 oversee effective collaboration through cross-membership between Committees, where appropriate;
- 5.18 recommend the annual election of the Audit Committee members for approval by shareholders;
- 5.19 review the performance goals set for the Group CEO;
- 5.20 review the competency and independence of the Group Company Secretary on an annual basis and provide a recommendation to the Board and the removal of the Group Company Secretary if this becomes necessary;
- 5.21 review feedback on stakeholder engagement; and
- 5.22 approve of the Committee to be included in the integrated annual report.

The emphasis of meetings shall be directed towards the issues summarised in **Annexure A**.

Specific business decisions which are in terms of the delegation of authority and require input from the Committee are set out in **Annexure B**.

6. MEETINGS OF THE COMMITTEE

- 6.1 Committee meetings shall be held quarterly, unless otherwise agreed with the Committee Chairman. Additional meetings may be held at the request of the Committee Chairman or any member of the Committee as required.
- 6.2 The Committee Chairman shall report on key matters addressed by the Committee at each Board meeting.
- 6.3 All non-executive directors are entitled to attend the Committee meetings.
- 6.4 Minutes of Committee meetings shall be distributed timeously.
- 6.5 Committee papers shall, other than under exceptional circumstances, be forwarded to each member of the Committee no fewer than seven days prior to the date of the meeting.
- 6.6 Members of the Committee shall declare any conflict of interest in respect of matters on the agenda and such declarations will be managed as deemed necessary.
- 6.7 The Committee Chairman shall attend the annual general meeting of the company and be prepared to respond to any shareholder questions on the Committee's activities.

TERMS OF REFERENCE OF THE NOMINATIONS COMMITTEE (CONTINUED)

7. AUTHORITY OF THE COMMITTEE

- 7.1 The Committee shall have authority to:
- 7.1.1 access any information it needs to fulfil its responsibilities;
 - 7.1.2 seek independent advice at the company's expense; and
 - 7.1.3 investigate matters within its mandate.
- 7.2 The Committee shall have the ability to consult with and receive the full co-operation of any employee where necessary to fulfil its responsibilities.

8. REMUNERATION OF MEMBERS

Members of the Committee shall be paid such remuneration in respect of their appointment as recommended by the Board and approved by shareholders. The Committee Chairman shall, in addition to his remuneration as member, receive a further sum as recommended by the Board and approved by shareholders.

9. REVIEW OF TERMS OF REFERENCE

The Committee shall review the Terms of Reference annually, to ensure that they remain consistent with the Board's objectives and responsibilities. The Terms of Reference may be amended as required, subject to the approval of the Board.

10. EVALUATION OF THE BOARD AND COMMITTEES

The Committee shall:

- 10.1 annually determine the process for Board and committee performance evaluations bearing in mind the King IV™ Code recommendation that such process be conducted every second year.
- 10.2 review the results of the Board and committee performance evaluations as and when conducted and recommend remedial actions if necessary.

**Approved by WHL Board
August 2020**

