

SHOPRITE HOLDINGS LIMITED

SECTION ONE: INFORMATION FROM AGMs AND ANNUAL REPORTS

1. Date of most recent AGM: 31/10/2016

2. Link to AGM minutes/ Results of recent AGM: http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-results-of-annual-general-meeting-5/

3. Salient points of comment on the resolutions

The resolutions for the F2016 AGM are technically without error, although we prefer strongly that the resolutions on non-executive remuneration should be tabled separately for each type of position.

We have a concern that the amount of R10,3 million (F2015: R9 million) paid to a company identified as Chaircorp (Pty) Ltd might contain elements of remuneration to a director or directors. This company is ostensibly remunerated for advisory services and one of its current employees is the chairman. His director's fee is also paid to Chaircorp, and we assume it is part of the R10,3 million. The advisory fees paid to Chaircorp are not included in the resolution in respect of non-executive directors' remuneration.

4. Comment on Remuneration Policy/Report

The Shoprite remuneration of its CEO is widely criticised for what was termed an excessive amount of some R50 million in cash for each of the previous two financial years, and more than R100 million for the past year.

Some 29% of votes cast at the 2015 AGM were against the non-binding approval of the remuneration policy.

The policy is silent on specific targets for the executive directors, and thus it is not possible to hold the company to account. In addition, it is difficult to see how there could be approval, even though non-binding, for such a policy when discretion proves to be so extremely broad.

The ratios of the cash remuneration paid to executives, compared with our standard R60 000 notional lowest-paid staff member are as follows:

Chairman (director's fee only)	7,7 times
CEO	1 668,3 times

CFO	85,9 times
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5. Comment on Social and Environmental matters:

There is very little on social and environmental issues in the integrated report. Pp 24-29 refer to a number of issues.

A separate sustainability report amounts to some 11 pages called a 'non-financial report'. We do not regard this as being substantial, and we regard this as a lost opportunity. It seems unlikely that there is no strong story to tell about some 137 000 employees. Staff turnover is at some 16% overall, but much lower at the more senior levels.

6. Comment on King III compliance register

Shoprite has to apply the King III guidelines. Its compliance register shows substantial application apart from the non-independence of the chair, no independent evaluation of directors, and the non-assurance of sustainability aspects.

7. RAITH Investment criteria

There are currently no signs that Shoprite is involved, or plans to become involved as producers in areas that would be objectionable in terms of the RAITH criteria.

8. BEPS

9. PAIA Requests

10. Social and Labour Plans

SECTION 2: SENS RELEASES

DATE OF RELEASE	DESCRIPTION	LINK
12.01.16	SHOPRITE HOLDINGS LIMITED – Operational update	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-operational-update-11/
23.02.16	SHOPRITE HOLDINGS LIMITED – Results for the 6 months ended December 2015	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-results-for-the-6-months-ended-december-2015/
02.03.16	SHOPRITE INVESTMENTS LIMITED – SHPCB – Interest Payment	http://www.moneyweb.co.za/mny_sens/shoprite-investments-limited-shpcb-interest-payment-4/
08.03.16	SHOPRITE HOLDINGS LIMITED – Dealing in securities by director of main subsidiary	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealing-in-securities-by-director-of-main-subsiary-6/
22.03.16	SHOPRITE HOLDINGS LIMITED – Dealing in securities by director of	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealing-in-securities-by-director-of-

	main subsidiary	main-subsiary-7/
24.03.16	SHOPRITE HOLDINGS LIMITED – Dealings in securities by directors of main subsidiary	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealings-in-securities-by-directors-of-main-subsiary/
29.03.16	SHOPRITE HOLDINGS LIMITED – Disclosure of acquisition of securities	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-disclosure-of-acquisition-of-securities-2/
03.05.16	SHOPRITE HOLDINGS LIMITED – Dealing in securities by executive director and director of main subsidiary	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealing-in-securities-by-executive-director-and-director-of-main-subsiary/
07.06.16	SHOPRITE HOLDINGS LIMITED – Dealing in securities by executive director	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealing-in-securities-by-executive-director-4/
07.06.16	SHOPRITE HOLDINGS LIMITED – Dealing in securities by director of main subsidiary	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealing-in-securities-by-director-of-main-subsiary-8/
19.07.16	SHOPRITE HOLDINGS LIMITED – Operational Update	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-operational-update-12/
23.08.16	SHOPRITE HOLDINGS LIMITED – Results for the year ended June 2016	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-results-for-the-year-ended-june-2016/
31.08.16	SHOPRITE HOLDINGS LIMITED – Dealing in securities by alternate director of main subsidiary	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealing-in-securities-by-alternate-director-of-main-subsiary-4/
31.08.16	SHOPRITE HOLDINGS LIMITED – Dealings in securities by director of main subsidiary	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealings-in-securities-by-director-of-main-subsiary-18/
02.09.16	SHOPRITE INVESTMENTS LIMITED – Interest Payment on Convertible Bond	http://www.moneyweb.co.za/mny_sens/shoprite-investments-limited-interest-payment-on-convertible-bond/
23.09.16	SHOPRITE HOLDINGS LIMITED – Dealings in securities by directors and alternate directors of main subsidiary	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealings-in-securities-by-directors-and-alternate-directors-of-main-subsiary-3/
30.09.16	SHOPRITE HOLDINGS LIMITED – Posting of integrated annual report and details of annual general meeting	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-posting-of-integrated-annual-report-and-details-of-annual-general-meeting/
18.10.16	SHOPRITE HOLDINGS LIMITED – Dealing in securities by director of main subsidiary	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealing-in-securities-by-director-of-main-subsiary-9/
31.10.16	SHOPRITE HOLDINGS LIMITED – Operational Update	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-operational-update-13/
31.10.16	SHOPRITE HOLDINGS LIMITED – Changes to the board of directors	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-changes-to-the-board-of-directors-2/
31.10.16	SHOPRITE HOLDINGS LIMITED –	http://www.moneyweb.co.za/mny_sens/shoprite-

	Results of annual general meeting	holdings-limited-results-of-annual-general-meeting-5/
29.11.16	SHOPRITE HOLDINGS LIMITED – Dealing in securities by director of main subsidiary	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-dealing-in-securities-by-director-of-main-subsiary-10/
08.12.16	SHOPRITE INVESTMENTS LIMITED – Availability of the Annual Financial Statements	http://www.moneyweb.co.za/mny_sens/shoprite-investments-limited-availability-of-the-annual-financial-statements/
14.12.16	SHOPRITE HOLDINGS LIMITED – Steinhoff/Shoprite -Joint detailed cautionary announcement relating to the establishment of African retail champion	http://www.moneyweb.co.za/mny_sens/shoprite-holdings-limited-steinhoffshoprite-joint-detailed-cautionary-announcement-relating-to-the-establishment-of-african-retail-champion/
21.12.16	SHOPRITE INVESTMENTS LIMITED – Notice to Noteholders regarding the Joint Cautionary Announcement released by Shoprite and Steinhoff – SHPCB	http://www.moneyweb.co.za/mny_sens/shoprite-investments-limited-notice-to-noteholders-regarding-the-joint-cautionary-announcement-released-by-shoprite-and-steinhoff-shpcb/