

Shoprite Holdings Limited		F2016	
	Classification	Meeting Type	Meeting Date
SHP	Food & Drug Retailers	AGM F2016	31/10/2016
NUMBER	RESOLUTION	INFORMATION	VOTE
Ordinary resolution number 1	Resolved that the annual financial statements of the Company and the Group for the year ended June 2016, including the reports of the directors and independent auditors be and are hereby approved.		FOR
Ordinary resolution number 2	Resolved that PricewaterhouseCoopers Inc. (PwC) be re-elected as independent registered auditors of the Company for the period until the next annual general meeting of the Company.	[MOTIVATION: PricewaterhouseCoopers has been the auditor for over 10 years without a tender process.]	AGAINST
Ordinary resolution number 3	Resolved that Dr ATM Mokgokong, who is required to retire as a director of the Company at this AGM and who is eligible and available for re-election, is hereby reappointed as director with immediate effect. Dr ATM Mokgokong (59) Non-executive director Appointed: 2012 Qualifications: MB ChB DCom (Honoris Causa)	[MOTIVATION: Dr Mokgokong is in our view over-extended.]	AGAINST
Ordinary resolution number 4	Resolved that Mr JF Basson, who is required to retire as a director of the Company at this AGM and who is eligible for re-election and available, is hereby reappointed as director with immediate effect. Mr JF Basson (64) Executive director Appointed: 2014 Qualifications: B Com CTA CA(SA)		FOR
Ordinary resolution number 5	Resolved that Mr JJ Fouché, who is required to retire as a director of the Company at this AGM and who is eligible for re-election and available, is hereby reappointed as director with immediate effect. Mr JJ Fouché (68) Non-executive director Appointed: 2013 Qualifications: BCom LLB		FOR
Ordinary resolution number 6	Resolved that Mr JA Rock, who is required to retire as a director of the Company at this AGM and who is eligible and available for re-election, is hereby reappointed as director with immediate effect. Mr JA Rock (46) Non-executive director Appointed: 2012 Qualifications: BA Hons MA ACA AMP (Insead)		FOR
Ordinary resolution number 7	Subject to his re-election as director, it is resolved that Mr JF Basson be elected as Chairperson and member of the Shoprite Holdings Audit and Risk Committee with immediate effect in terms of section 94(2) of the Companies Act.		FOR

Ordinary resolution number 8	It is resolved that Mr JA Louw be elected as member of the Shoprite Holdings Audit and Risk Committee with immediate effect in terms of section 94(2) of the Companies Act. Mr JA Louw (72) Non-executive director Appointed: 2011 Qualifications: BSc Hons B(B&A) Hons		FOR
Ordinary resolution number 9	Subject to his re-election as director, it is resolved that Mr JJ Fouché be elected as member of the Shoprite Holdings Audit and Risk Committee with immediate effect in terms of section 94(2) of the Companies Act.		FOR
Ordinary resolution number 10	Subject to his re-election as director it is resolved that Mr JA Rock be elected as member of the Shoprite Holdings Audit and Risk Committee with immediate effect in terms of section 94(2) of the Companies Act.		FOR
Ordinary resolution number 11	Resolved that 28.6 million (approximately 5% of the issued ordinary share capital that includes treasury shares) of the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company until the next annual general meeting and that the directors of the Company be and are hereby authorised and empowered to, without first offering those shares to shareholders pro rata to their shareholding, allot, issue and otherwise dispose of such ordinary shares.	[MOTIVATION: Our policy is to vote against these requests unless specifically motivated; preferring that shareholders authorise issues only when required for specific transactions.]	AGAINST
Ordinary resolution number 12	Resolved that the directors of the Company be and are hereby authorised by way of a general authority, to issue all or any of the authorised, but unissued shares in the capital of the Company, for cash, as and when they in their discretion deem fit.	[MOTIVATION: Our policy is to vote against these requests unless specifically motivated; preferring that shareholders authorise issues only when required for specific transactions.]	AGAINST
Ordinary resolution number 13	Resolved that any one of the directors of Shoprite Holdings or the company secretary be and are hereby authorised to do all things, perform all acts and to sign and execute all documentation necessary to implement the ordinary and special resolutions adopted at the AGM.		FOR
Ordinary resolution number 14	Resolved that, through a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of the non-executive directors and members of board committees for their services as directors) as set out in the Remuneration report in the Integrated Report on pages 36 to 44 is endorsed.	[MOTIVATION: The policy is scant on detail and specifically does not disclose targets. It also allows for a CEO remuneration which is regarded as excessive to a marked degree. In addition, the policy did not specify that discretionary payments in the order of R50 million could be made.]	AGAINST
Special resolutions			
Special resolution number 1	Resolved as a special resolution in terms of section 66(9) of the Companies Act, that the annual remuneration of the non-executive directors for the twelve months from 1 November 2015 – 31 October 2016 be approved as follows: SHOPRITE HOLDINGS BOARD AND COMMITTEE FEES F2016 / F2015 BOARD Chairman of the Board R367 500 / R340 000	[MOTIVATION: This is an omnibus resolution, which we do not support. In addition, the remuneration paid to ordinary and lead directors is low.]	AGAINST

	<p>Lead Independent Director R227 000 / R210 000 Non-Executive Director R216 000 / R200 000</p> <p>AUDIT AND RISK COMMITTEE Chairman R258 000 / R239 500 Member R130 000 / R120 000</p> <p>REMUNERATION COMMITTEE Chairman R67 000 / R62 000 Member R40 500 / R37 500</p> <p>NOMINATION COMMITTEE Chairman R67 000 / R62 000 Member R40 500 / R37 500</p> <p>SOCIAL AND ETHICS COMMITTEE Chairman R87 500 / R81 000</p>		
Special resolution number 2	<p>Resolved as a special resolution in terms of section 45(3)(a)(ii) of the Companies Act, subject to compliance with the requirements of the Company's MOI and the JSE Listings Requirements as presently constituted and amended from time to time as a general approval, that the board of the Company be authorised during a period of two (2) years from the date of this special resolution to authorise the Company to provide direct or indirect financial assistance to a director or prescribed officer of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, ("any related or interrelated company or corporation" has herein the same meaning as in section 45 of the Companies Act and which meaning includes all the subsidiaries of the Company) to the Company or to a member of such a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, in any form.</p> <p>– By the time that this notice of AGM is delivered to shareholders, the Board would have adopted a written board resolution ("the Section 45 Board Resolution") authorising the Company to provide at any time during the period of two (2) years from the date the above special resolution number 2 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company;</p> <p>– The Section 45 Board Resolution will only be subject to and only effective to the extent that special resolution number 2 is adopted by shareholders and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act and that the terms under which the financial assistance will be given are fair and reasonable to the Company as required in section 45(3)(b)(ii) of the Companies Act; and</p> <p>– The Company hereby provides notice of the Section 45 Board Resolution to shareholders of the Company.</p>	[MOTIVATION: We do not support the provision of financial assistance by a company to its directors or staff.]	AGAINST
Special resolution number 3	<p>Resolved as a special resolution that the Company be and is hereby authorised, as a general authority contemplated in section 44(3)(a)(ii) of the Companies Act to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise of the kind referred to in section 44 of the Companies Act to any employee of the Company or of a subsidiary of the Company or of a related or inter-related company ("related or inter-related company" has herein the same meaning as in section 44 of the Companies Act) to the</p>	[MOTIVATION: We do not support the provision of financial assistance by a company to its directors or staff.]	AGAINST

	Company, for the purpose of, or in connection with, the subscription of any shares or other securities to be issued by the Company or for the purchase of any shares or other securities of the Company or for the purchase of any convertible bonds issued by Shoprite Investments Limited or for the subscription of those bonds by such employees, on the terms and conditions that the Board of the Company may deem fit.		
Special resolution number 4	Resolved as a special resolution that, the Company and/or any subsidiary of the Company be and are hereby authorised by way of a general approval to acquire the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine.	[MOTIVATION: We do not find such transactions to be in the company interests generally]	AGAINST
Special resolution number 5	Resolved as a special resolution in accordance with section 16(1)(c) of the Companies Act, that the MOI of the Company be and is hereby amended by way of the deletion of clauses 9.3, 9.4, 9.5 and 9.6 of the MOI of the Company and the deletion of clauses 2, 3, 4 and 5 of Schedule 1 to the MOI.		FOR
Special resolution number 6	<p>Resolved as a special resolution in accordance with section 16(1)(c) of the Companies Act, that the Memorandum of Incorporation of the Company be and is hereby amended as follows:</p> <p>5.20.1 that clause 15.3 of the MOI of the Company is deleted; and</p> <p>5.20.2 that the following clause is added as clause 49 to the MOI of the Company:</p> <p>CLAUSE 49</p> <p>49.1 If pursuant to any corporate action or event, including any capitalisation issue or rights issue, Shareholders or other Security Holders would, but for the provisions of this clause 49 become entitled to fractions of Securities ("Fractional Entitlements"), such Fractional Entitlements shall be dealt with in accordance with the JSE Listings Requirements.</p> <p>49.2 Subject to the JSE Listings Requirements, the provisions of clause 45 shall apply mutatis to mutandis to any amounts that may become payable to Shareholders or other Security Holders in terms of this clause 49.</p> <p>Only whole shares and not fractional shares may be issued by the Company and traded on the JSE. Previously the JSE Listings Requirements provided that all allocations of securities by a listed company will be rounded up or down, based on the standard rounding conversion. In terms of an amendment to the JSE Listings Requirements, allocations of securities must now be rounded down to the nearest whole number and shareholders must receive a cash payment for the fractions of securities to which they would otherwise have become entitled. The CSDP's and brokers will then sell the securities constituted by the aggregation of the fractions on the open market. The MOI of the Company presently deals with the manner in which fractional entitlements are dealt with in clause 15.3. The JSE has granted the Company until 1 May 2017 to amend its MOI to bring it in line with the amendment to the JSE Listings Requirements. The reason for this special resolution number 6 is to bring the MOI in line with the latest amended JSE Listings Requirements.</p> <p>The effect of this special resolution 6 will be to align the MOI with the JSE Listings Requirements while clause 49.2 will provide that any payments to shareholders that become due by reason of the sale of fractions of securities will also be governed by the provisions of clause 49.</p>		FOR

Special resolution number 7	Resolved as a special resolution in accordance with section 16(1)(c) of the Companies Act, that the Memorandum of Incorporation of the Company be and is hereby amended as follows: 5.21.1 that reference to Securities Services Act No 36 of 2004 in clause 1.2.24 be deleted and replaced with Financial Markets Act No 19 of 2012; 5.21.2 that reference to Securities Exchange News Service in clause 1.2.25 be deleted and replaced with Stock Exchange News Service; and 5.21.3 by deleting the words "or increase their odd-lot holdings" in clause 48.		FOR
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