

**PICK N PAY STORES LIMITED  
("the Company")**

**Minutes of the 52<sup>nd</sup> Annual General Meeting of Shareholders  
Conducted by electronic communication  
on Tuesday 4 August 2020 at 08h30**

**WELCOME AND CHAIRMAN'S ADDRESS**

"Good morning and welcome to the 2020 Pick n Pay Annual General Meeting.

This is the first AGM we have conducted in this way. It is all online. There is no physical meeting. We will assess how it goes for the conduct of our future AGMs. We also released an earnings' update this morning which will be covered in our CEO's presentation a bit later. While we don't usually issue an update at the time of the AGM, these are special circumstances.

Having our AGM online is one of the countless examples of how the COVID-19 pandemic has profoundly changed our lives and the way we do things. In part, it is incumbent upon us to embrace this new normal which despite the significant challenges and disruptions, may also present new opportunities.

The pandemic has brought about so much damage to our lives – to our health, our wellbeing, our finances, our jobs, our institutions.

No-one is untouched by it. Many of us have lost loved ones – family, friends and colleagues.

We have been confronted by the pandemic – and the enormity of its impact – for over four months now.

From having few confirmed cases through March and April, our country is now among the worst affected in the world, ranking in the top five. The experts say we may now be in the eye of the storm – the peak of the pandemic. The next few months will be challenging to say the least for us a nation, as a business community and as society at large.

The challenges facing governments around the world have been immense. The circumstances have been unprecedented. The stakes have never been higher.

Many governments have been faced with the dilemma of saving lives by imposing hard lockdowns, and saving livelihoods by keeping open as much of the economy as possible.

I applaud our President for his courage in facing up to tough choices and making tough decisions. He promised consultation and co-operation between government and all stakeholders.

I salute the way he has emphasised, over and over again, that we are all in this together. That we will only survive if we stay together. That we will triumph in the end – but only if we stay together.

I believe the Pick n Pay Group has stepped up to the plate and has shown the tenacity, determination and togetherness that the President has demanded.

I want to pay tribute to all my colleagues in the Pick n Pay Group who have stepped up magnificently to fulfil our responsibility as one of the essential service providers through the national state of disaster and the lockdown.

Through all the challenges and tribulations, you have continued to feed the nation. The public knows that – whatever else may be uncertain – Pick n Pay and Boxer will be there for them.

All of my colleagues on the Board join me in saluting you for your work. Thank you.

Of course, we have not done this alone. It has been a national effort.

The consumer goods industry has shown great resilience, and I am proud to be a co-chair of the Consumer Goods Council of South Africa.

Our emergency services – and in particular our health workers around the country – have shown enormous heroism. They can be justly proud that, to date, South Africa has experienced far fewer deaths from COVID-19 than many other countries around the world.

More widely, our customers, alongside millions of others around the country, have shown solidarity by behaving responsibly, wearing their face masks and observing the physical distancing and other restrictions that we and others have had to introduce to safeguard lives.

We have also seen unprecedented acts of generosity in all walks of life to alleviate some of the suffering the pandemic has caused. As one of many examples, our Feed the Nation initiative has channelled over R67m into food hampers, with donations from many customers and companies, our family, executives and Pick n Pay. We have been able to provide close to 17 million meals. This has been the largest humanitarian effort the PnP group has undertaken in its 53-year history. We will show you some of what we have done at the end of today's presentations.

I believe that a sense of togetherness has kept our country strong despite the enormous disruption and challenges that so many people have faced.

I am also delighted that in doing what South Africa expects of us during the pandemic, we have not lost sight of our sustainability commitments and achievements.

- Our 2025 packaging targets remain well on track.
- We were the first retailer to sign up to the global 10/20/30 food waste initiative.
- We have reduced our energy use per square metre by 37% against our 2008 baseline.
- We have become far more water-efficient.
- We sold 2 million reusable shopping bags last year made of recycled plastic bottles.
- Our nude fruit and vegetable walls have been a hit with our customers.
- We've donated 1,600 tonnes of edible food to Food Forward worth R80 million.
- And we've diverted 60% of our waste from landfill.

These are all things to celebrate.

For all that we lack in South Africa, we do not lack resilience. We do not lack the capacity to pull together. We do not lack the ability to find creative ways to make the best of an immensely tough situation.

But none of us must take these qualities for granted.

For our part, we will continue to work our hardest to ensure our stores are safe, our shelves are well-stocked, and our prices are fair. I will reiterate the commitment we gave at the beginning of the crisis. We will never use a crisis like the current one as an excuse to raise our prices artificially. We will always give our best value to our customers.

For the government, I believe that most of us ask no more than that its decisions are taken for the right reasons, are justified by the facts, and that these facts are explained to us when decisions seem difficult to understand.

The Government has on several occasions reassured that they are listening and consulting. But we see little evidence of this. We need Government to take us into their confidence when it comes to decisions that affect us all.

We cannot afford decisions that are poorly made or poorly explained. They create confusion and cynicism and erode the togetherness on which we all depend.

It is inevitable in this context that I mention the prohibitions on the sale of alcohol and tobacco.

I do not do this because the prohibitions hurt our sales and cashflow – although it is true that they do.

I focus on it because – more than any other decision taken by the government during this pandemic – these prohibitions risk creating cynicism and division that we cannot afford.

South Africa is virtually the only country in the world that has prohibited the sale of these products during the pandemic. There has been no explanation as to why South Africa is right and so many other countries are wrong. What explanations we have been given have been confusing and contradictory.

And, sadly, everyone knows that tobacco and liquor remain readily available through the black market. So the policy achieves no end other than to fuel illegal activity which ignores any regulatory safeguards and contributes not a single cent to the beleaguered tax service which desperately needs the revenue for the state to meet its socio-economic obligations.

Whatever the reasoning put forward by government, it is inordinately outweighed by the cynicism that it has created.

I implore the government to review its decision, and to look at the issue in the spirit of responsibility and togetherness that the President has so rightly upheld.

In the circumstances, managing the economic recovery will require a great deal of finesse and extraordinary focus on rapid implementation of reforms which the government has already committed to.

The government will have to be far more deft in getting the economy back on its feet. It will have to recognise its limitations and withdraw from controls it has put in place, play to its strengths and allow citizens and the private sector to play to theirs, unleashing the creative energy of the whole society.

We have to learn to live with the virus while we grow the economy, and for this to happen, the government will have to rely more on persuasion and co-operation, and less on control. We must harness the energy and innovation of all South Africans, with a focus on critical reinvigoration, not over-regulation.

As my father has often said, leadership means taking people from where they are to where you want them to be. What we saw was inspiring leadership from government in the early days of this pandemic, and we would hope to see a return to this very soon.

Whilst I'm not given to quoting politicians, our Finance Minister has captured what the country is thinking: that it's time our leadership led without fear, favour or prejudice. Because in failing to trust our citizens, the spirit of Ubuntu risks being relegated to a history book footnote. We are all in this together.

Managing through this crisis is difficult. We must focus not only on immediate needs, but on how we can survive and hopefully thrive after the crisis.

We must take the right decisions now to safeguard the future.

That is why, in May, after much deliberation, we took the difficult decision to defer our annual dividend.

We understand that many shareholders rely on their dividends to supplement their incomes. We will review the situation just as soon as we have greater clarity on our cashflows later in the year.

It is ten years since I became Chairman of Pick n Pay. We have made enormous changes for the better. We are a very different company today, and a much better one. We are much better able to weather this storm. Our values have remained strong, and they mean that – even in the middle of the storm – we help our customers and communities first.

Within our business, our people have demonstrated true commitment and our execution has been phenomenal under extraordinary pressure. We have learnt better than ever how to work as a team.

At the fore of our response to the crisis is our CEO, Richard Brasher and his executive team. Richard deserves enormous credit for his leadership over the last seven years, and especially during this crisis. He has earned huge respect both internally and externally, and deservedly so.

Richard had planned to announce his retirement from Pick n Pay at our annual results in May. However, he has elected to roll up his sleeves and help us navigate this crisis. We had started the process to find his successor in good time. As with so much else, COVID-19 has disrupted this process. But we are making progress and will make an announcement when we are ready to do so.

At the 2019 AGM, we undertook to review and refresh the composition of our board, and to this end, we announced three new board appointments. Mariam Cassim and Dr Haroon Borat joined the board on 18 May as independent non-executive directors. Effective 4 August 2020, Annemarie van der Merwe will be also be joining us as non-executive director, replacing Alex Mathole.

All three bring with them a wealth of experience from a wide variety of roles and experience, and we are delighted they have agreed to join us.

We also thank Alex for her valuable contribution over the years.

After many years as Lead Independent Director, Hugh Herman has stood down from that role and Jeff van Rooyen has been appointed to the role. We thank Hugh for his ongoing support and advice and we are pleased he will be remaining on the board and retaining his role as Chair of Rem Com and a member of the Audit Committee.

I also welcome Lerena Olivier into the role of CFO. Lerena took over from Bakar Jakoet in September 2019, and we congratulate her on her appointment. We are already benefiting from her contribution as an executive director on the Board.

This coming year will be a challenge to us all, from the Board to those who serve at the frontlines. We have the energy, the commitment, and the values to work as hard as we can to serve our customers with efficiency, empathy, and dedication.

Thank you.”

The Chairman concluded his opening address to the 2020 AGM.

### **QUORUM FOR THE MEETING**

The quorum for the meeting was three members personally present and entitled to vote, who between them held in excess of 25% of the issued shares.

The Chairman announced that the necessary quorum was present, with 89.11% of the voteable shares represented, either by proxy or present at the meeting. The meeting was declared duly constituted.

### **APOLOGIES**

No apologies were recorded.

### **VOTING PROCEDURES**

Shareholders or their duly appointed proxies participated by registering online using the portal at [www.smartagm.co.za](http://www.smartagm.co.za). Computershare Investor Services Proprietary Limited (Computershare), the transfer secretary, was nominated and accepted to act as Scrutineers for the purposes of the poll. Upon validation by Computershare, shareholders were provided with details on using the electronic communication facility to participate electronically in the AGM. Voting took place by means of a poll.

Because the meeting was held in a virtual environment, the Chairman announced that Aboubakar Jakoet, a director who was also a shareholder, had agreed to second all the resolutions.

## NOTICES OF THE MEETING AND OTHER FORMALITIES

The Chairman stated that the notice convening the AGM, as set out in the 2020 Integrated Annual Report, as well as in the summarised audited Group annual financial statements for the 2020 annual financial period, had been in members' hands for the prescribed period, having been posted on the Company website on 3 July 2020 and despatched by registered post to shareholders on 6 July 2020. The notice contained full details of all the resolutions to be considered at the meeting. There being no changes to the proposed resolutions, the Notice was taken as read.

The Chairman reported that the minutes of the last AGM, held on 29 July 2019, were approved by the Board at a meeting held in October 2019. Accordingly, the minutes of the previous meeting did not require approval by the shareholders present. The minutes of the 2019 AGM were posted on the Company's website after approval by the Board, as will be the minutes of this AGM, once approved by the Board.

The Chairman requested that questions on the resolutions be posed. Questions of a general nature would be answered once voting had concluded, so the business of the meeting could be attended to. <sup>1</sup>

The Chairman confirmed that the electronic system was open for voting and requested that participating shareholders cast their votes while the resolutions were being proposed.

## QUESTIONS ON THE RESOLUTIONS

*Asha Bibi Mia:*

*As you may appreciate, there has been some apprehension regarding replacement of Mr Brasher as the CEO.*

- (i) When did the board members first learn about Mr Brasher's departure?*
- (ii) Why is Mr Brasher leaving?*
- (iii) What measures are in place to find a successor for Mr Brasher?*
- (iv) Will the post be filled internally, locally or will international candidates also be considered?*

The Chairman responded that Richard Brasher gave the Board an indication of his retirement plans in May 2019. A search for a successor was underway with candidates being considered from internal, local and international sources. The lockdown caused by the COVID-19 pandemic had delayed the appointment of a successor. When Richard Brasher first joined the Group he had stated his belief that a CEO should be replaced every five years, given the pressures of the position. Seven years had passed, and Richard Brasher had indicated that he wished to spend more time with his family. He had

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<sup>1</sup> **NOTE:** In the SENS announcement of the results of the voting at the 2019 AGM, disclosure was made of the percentage and number of shares voted in both classes of shares. For purposes of these minutes, it is recorded that all issued B ordinary shares, numbering 259 682 869, voted in favour of all resolutions. The tables in the minutes show the shares voted for or against the resolutions, disclosed as a percentage in relation to the total issued share capital comprising both ordinary and B ordinary shares. **NOTE:** Abstentions are excluded from the total votes cast and percentage of shares voted.

however delayed his departure to steer the Group through the pandemic. A comprehensive programme was underway to appoint his successor, with the full Board engaged in the process.

*Mehluli Ncube:*

*Remuneration issues: Please address the following concerns as raised in previous AGMs*

- (i) Remuneration policy is insufficiently disclosed*
- (ii) Lack of disclosure on the STI and LTI key performance measures, weightings and target levels. Shareholders cannot judge the stretch between the performance levels*
- (iii) No minimum shareholding requirements for directors*
- (iv) The termination policy on variable remuneration is not provided*
- (v) Executive remuneration at various levels of performance is not provided*
- (vi) The STI cap for the CEO seems high at 36x monthly salary*
- (vii) STI remuneration should have a portion deferred into shares*
- (viii) The share options granted are not subject to any performance measures.*

*Remuneration report: without clear targets it is difficult to measure how the current COVID will impact executive remuneration and retain talent.*

Hugh Herman, in his capacity as chairman of the Remuneration Committee, assured shareholders that all points raised were considered in detail by the Remuneration Committee and that the remuneration report set out the parameters of the short-term and long-term incentives in considerable detail. Hugh Herman noted that it appeared likely, judging on the proxy votes received prior to the AGM and in line with the provisions of the King Code, that the remuneration committee would hold formal shareholder engagement in respect of its remuneration policies post the AGM. All questions posed would be dealt with at the time of shareholder engagement. He added that, given the fluid nature of the COVID pandemic, the Remuneration Committee would continue to assess the impact of the pandemic on core operations to ensure that targets set were clear and would lead to appropriate incentivisation and remuneration for executives. This aspect would be further discussed in future shareholder engagements.

There being no further questions on the resolutions, the Chairman proceeded to the resolutions.

### **PRESENTATION OF THE AUDITED ANNUAL FINANCIAL STATEMENTS, THE DIRECTORS' REPORT AND THE AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT FOR THE 2020 ANNUAL FINANCIAL PERIOD**

The Chairman noted that, in terms of the Companies Act, no. 71 of 2008, as amended, a summary of the audited financial statements was set out in the document dated 19 June 2020, which were made available on the Pick n Pay website on that date and posted to shareholders on 6 July 2020. The full annual financial statements were published on the Pick n Pay website, [www.picknpayinvestor.co.za](http://www.picknpayinvestor.co.za). Printed copies would be provided on request.

### **ORDINARY RESOLUTION NUMBER 1: APPOINTMENT OF EXTERNAL AUDITORS**

The Chairman proposed Ordinary Resolution Number 1 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting result was confirmed to be as follows:

	Number	Percentage
Votes in favour	663 855 893	99.97%
Votes against	187 181	0.03%
Abstain	158 040	-
Total votes cast & percentage of shares voted	664 201 114	100%

Ordinary Resolution Number 1 was subsequently declared to have been passed and the appointment of Ernst Young Incorporated as the external auditors of the Company, with Tina Rookledge as the designated partner, to have been approved by the members.

#### **ORDINARY RESOLUTION NUMBER 2: ELECTION OF DIRECTORS**

The Chairman explained that Hugh Herman, Jeff van Rooyen and Gareth Ackerman retired in accordance with the Company's MOI. Being eligible, they offered themselves for re-election. The Chairman clarified that independent non-executive directors who had served for more than nine years on the Board served one-year terms of office, rather than the standard three-year term. Hugh Herman and Jeff van Rooyen were being proposed for a one-year term.

Lerena Olivier was appointed as Chief Finance Officer and a director on 6 September 2019. Being eligible, she offered herself for election as an executive director of the Company.

Aboubakar Jakoet retired as the Chief Finance Officer on 6 September 2019 on which date he was appointed as a non-executive director. Being eligible, he offered himself for election as a director of the Company.

Marriam Cassim and Haroon Bhorat were appointed as non-executive directors on 18 May 2020, and Annamarie van der Merwe was appointed as a non-executive director on 4 August 2020. Being eligible, they offered themselves for election as directors of the Company.

#### **ORDINARY RESOLUTION NUMBER 2.1: RE-APPOINTMENT OF HUGH HERMAN AS DIRECTOR**

The Chairman proposed Ordinary Resolution Number 2.1 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	605 100 213	91.13%

Votes against	58 895 711	8.87%
Abstain	205 190	-
Total votes cast & percentage of shares voted	664 201 114	100%

Hugh Herman was declared to have been re-elected as a director of the Company for a one-year term of office.

**ORDINARY RESOLUTION NUMBER 2.2: RE-APPOINTMENT OF JEFF VAN ROOYEN AS DIRECTOR**

The Chairman proposed Ordinary Resolution Number 2.2 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	618 486 246	93.14%
Votes against	45 555 057	6.86%
Abstain	159 811	-
Total votes cast & percentage of shares voted	664 201 114	100%

Jeff van Rooyen was declared to have been re-elected as a director of the Company for a one-year term of office.

**ORDINARY RESOLUTION NUMBER 2.3: RE-APPOINTMENT OF GARETH ACKERMAN AS DIRECTOR**

The Lead Independent Director, Jeff van Rooyen, proposed Ordinary Resolution Number 2.3 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	620 739 480	93.48%
Votes against	43 303 095	6.52%
Abstain	158 539	-
Total votes cast & percentage of shares voted	664 201 114	100%

Gareth Ackerman was declared to have been re-elected as a director of the Company for a three-year term of office.

**ORDINARY RESOLUTION NUMBER 2.4: ELECTION OF LERENA OLIVIER AS EXECUTIVE DIRECTOR**

The Chairman proposed Ordinary Resolution Number 2.4 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	658 725 984	99.20%
Votes against	5 315 890	0.80%
Abstain	159 240	-
Total votes cast & percentage of shares voted	664 201 114	100%

Lerena Olivier was declared to have been elected as a director of the Company for a three-year term of office.

**ORDINARY RESOLUTION NUMBER 2.5: ELECTION OF ABOUBAKAR JAKOET AS DIRECTOR**

The Chairman proposed Ordinary Resolution Number 2.5 as set out in the Notice. The motion was seconded by David Friedland.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	596 071 533	89.76%
Votes against	67 970 329	10.24%
Abstain	159 252	-
Total votes cast & percentage of shares voted	664 201 114	100%

Aboubakar Jakoet was declared to have been elected as a director of the Company for a three-year term of office.

**ORDINARY RESOLUTION NUMBER 2.6: ELECTION OF MARIAM CASSIM AS DIRECTOR**

The Chairman proposed Ordinary Resolution Number 2.6 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	648 459 850	97.65%
Votes against	15 581 441	2.35%
Abstain	159 823	-
Total votes cast & percentage of shares voted	664 201 114	100%

Mariam Cassim was declared to have been elected as a director of the Company for a three-year term of office.

**ORDINARY RESOLUTION NUMBER 2.7: ELECTION OF HAROON BHORAT AS DIRECTOR**

The Chairman proposed Ordinary Resolution Number 2.7 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	663 928 222	99.98%
Votes against	108 653	0.02%
Abstain	164 239	-
Total votes cast & percentage of shares voted	664 201 114	100%

Haroon Borhat was declared to have been elected as a director of the Company for a three-year term of office.

**ORDINARY RESOLUTION NUMBER 2.8: ELECTION OF ANNAMARIE VAN DER MERWE AS DIRECTOR**

The Chairman proposed Ordinary Resolution Number 2.8 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	664 038 666	100%
Votes against	3 208	-
Abstain	159 240	-

Total votes cast & percentage of shares voted	664 201 114	100%
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Annamarie van der Merwe was declared to have been elected as a director of the Company for a three-year term of office.

**ORDINARY RESOLUTION NUMBER 3: APPOINTMENT OF AUDIT, RISK AND COMPLIANCE COMMITTEE MEMBERS FOR THE 2021 ANNUAL FINANCIAL PERIOD**

The Chairman explained that Jeff van Rooyen, Hugh Herman, Audrey Mothupi and David Friedland had served on the audit, risk and compliance committee in the previous financial year and, being eligible, offered themselves for re-election. Mariam Cassim, being eligible, offered herself for election to the committee.

**ORDINARY RESOLUTION NUMBER 3.1: APPOINTMENT OF JEFF VAN ROOYEN AS A MEMBER OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE**

The Chairman proposed Ordinary Resolution Number 3.1 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	568 109 402	85.55%
Votes against	95 930 665	14.45%
Abstain	161 047	-
Total votes cast & percentage of shares voted	664 201 114	100%

Jeff van Rooyen was declared to have been re-elected as a member of the audit, risk and compliance committee.

**ORDINARY RESOLUTION NUMBER 3.2: APPOINTMENT OF HUGH HERMAN AS A MEMBER OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE**

The Chairman proposed Ordinary Resolution Number 3.2 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	564 785 030	85.06%
Votes against	99 208 516	14.94%
Abstain	207 568	-

Total votes cast & percentage of shares voted	664 201 114	100%
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Hugh Herman was declared to have been re-elected as a member of the audit, risk and compliance committee.

**ORDINARY RESOLUTION NUMBER 3.3: APPOINTMENT OF AUDREY MOTHUPI AS A MEMBER OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE**

The Chairman proposed Ordinary Resolution Number 3.3 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	660 227 545	99.43%
Votes against	3 807 522	0.57%
Abstain	166 047	-
Total votes cast & percentage of shares voted	664 201 114	100%

Audrey Mothupi was declared to have been re-elected as a member of the audit, risk and compliance committee.

**ORDINARY RESOLUTION NUMBER 3.4: APPOINTMENT OF DAVID FRIEDLAND AS A MEMBER OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE**

The Chairman proposed Ordinary Resolution Number 3.4 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	661 521 228	99.62%
Votes against	2 518 839	0.38%
Abstain	161 047	-
Total votes cast & percentage of shares voted	664 201 114	100%

David Friedland was declared to have been re-elected as a member of the audit, risk and compliance committee.

**ORDINARY RESOLUTION NUMBER 3.5: APPOINTMENT OF MARIAM CASSIM AS A MEMBER OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE**

The Chairman proposed Ordinary Resolution Number 3.5 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	651 515 547	98.11%
Votes against	12 524 508	1.89%
Abstain	161 059	-
Total votes cast & percentage of shares voted	664 201 114	100%

Mariam Cassim was declared to have been elected as a member of the audit, risk and compliance committee.

**ADVISORY VOTE ON REMUNERATION POLICY AND REPORT FOR THE 2020 ANNUAL FINANCIAL PERIOD**

The Chairman noted that the directors of the Company tabled the remuneration policy and report. The votes allowed shareholders to express their views on the remuneration policies adopted by the Group, and on the implementation of the remuneration policies as set out in the remuneration report.

In terms of King IV, more than 75% of the voting rights exercised on the advisory votes had to be cast in favour for it to be adopted. In the event that 25% or more of the voting rights exercised were cast against these advisory votes, the Board would invite dissenting shareholders to engage with the remuneration committee on their concerns in line with the provisions of the JSE Listings Requirements.

**ADVISORY VOTE NUMBER 1: ENDORSEMENT OF THE REMUNERATION POLICY**

The Chairman proposed that the remuneration policy be endorsed. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting was confirmed to be as follows:

	Number	Percentage
Votes in favour	550 389 986	83.21%
Votes against	111 032 111	16.79%
Abstain	2 779 017	-
Total votes cast & percentage of shares voted	664 201 114	100%

The remuneration policy was declared to have been endorsed.

**ADVISORY VOTE NUMBER 2: ENDORSEMENT OF THE REMUNERATION IMPLEMENTATION REPORT**

The Chairman proposed that the report on the implementation of the remuneration policy be endorsed. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting was confirmed to be as follows:

	Number	Percentage
Votes in favour	509 764 321	76.77%
Votes against	154 280 534	23.23%
Abstain	156 259	-
Total votes cast & percentage of shares voted	664 201 114	100%

The report on the implementation of the remuneration policy was declared to have been endorsed.

**SPECIAL RESOLUTION NUMBER 1: DIRECTORS FEES FOR THE 2021 AND 2022 ANNUAL FINANCIAL PERIODS**

The Chairman proposed Special Resolution Number 1 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	520 438 678	78.38%
Votes against	143 589 092	21.62%
Abstain	173 344	-
Total votes cast & percentage of shares voted	664 201 114	100%

Special Resolution Number 1 regarding the directors' fees for the 2021 and 2022 annual financial periods was declared to have been passed by the requisite majority of votes.

**SPECIAL RESOLUTION NUMBER 2: PROVISION OF FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES AND OTHERS**

The Chairman noted that this authority was required in order to grant the board of directors the authority to authorise the Company to provide inter-Group loans and other financial assistance for the purpose of funding the day-to-day operational decisions of the Group.

**SPECIAL RESOLUTION NUMBER 2.1: FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES**

The Chairman proposed Special Resolution Number 2.1 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	655 830 010	98.76%
Votes against	8 210 193	1.24%
Abstain	160 911	-
Total votes cast & percentage of shares voted	664 201 114	100%

Special resolution number 2.1 regarding financial assistance to related or inter-related companies was declared to have been passed by the requisite majority of votes.

**SPECIAL RESOLUTION NUMBER 2.2: FINANCIAL ASSISTANCE TO PERSONS**

The Chairman proposed Special Resolution Number 2.2 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	625 726 440	94.23%
Votes against	38 318 941	5.77%
Abstain	155 733	-
Total votes cast & percentage of shares voted	664 201 114	100%

Special resolution number 2.2 regarding financial assistance to persons was declared to have been passed by the requisite majority of votes.

**SPECIAL RESOLUTION NUMBER 3: AMENDMENT OF FORFEITABLE SHARE PLAN**

The Chairman proposed Special Resolution Number 3 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	662 357 021	99.75%
Votes against	1 684 053	0.25%

Abstain	160 040	-
Total votes cast & percentage of shares voted	664 201 114	100%

Special Resolution Number 3, regarding an amendment of the Rules of the Forfeitable Share Plan to allow for the remuneration committee to vary the entitlement of participants to voting and dividend rights during the vesting period, was declared to have been passed by the requisite majority of votes.

**SPECIAL RESOLUTION NUMBER 4: GENERAL APPROVAL TO REPURCHASE COMPANY SHARES**

The Chairman proposed Special Resolution Number 4 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	656 375 536	98.85%
Votes against	7 649 988	1.15%
Abstain	175 590	-
Total votes cast & percentage of shares voted	664 201 114	100%

Special Resolution Number 4 regarding a general approval to repurchase Company shares was declared to have been passed by the requisite majority of votes.

**ORDINARY RESOLUTION NUMBER 4: DIRECTORS' AUTHORITY TO IMPLEMENT SPECIAL AND ORDINARY RESOLUTIONS**

The Chairman proposed Ordinary Resolution Number 4 as set out in the Notice. The motion was seconded by Aboubakar Jakoet.

The outcome of the voting results was confirmed to be as follows:

	Number	Percentage
Votes in favour	664 038 107	100%
Votes against	7 596	-
Abstain	155 411	-
Total votes cast & percentage of shares voted	664 201 114	100%

Ordinary Resolution Number 4 authorising directors to implement all resolutions passed at this Annual General Meeting was declared to have been passed by the members.

### **REPORT BY CHIEF EXECUTIVE OFFICER**

Richard Brasher welcomed all present to the Annual General Meeting, noting that he normally analysed the prior year's result and indicated plans for the future. Given the COVID-19 pandemic, he intended to spend more time dealing with the present.

Richard Brasher advised that he was proud that the management team had delivered a good result in a difficult market, with shareholders benefiting from 2-year compound growth of 6.2%, ahead of the retail market. The Group had achieved meaningful improvements against its strategy, consistently delivering growth. Over a 7-year period, more than R5 billion had been declared in dividends and more than 800 stores had been opened. Management remained focused on operating efficiencies and cost controls.

COVID-19 had not impacted on the FY20 result. Sketching the impact of the lockdown on trade in FY21, the CEO expressed pride at the leadership and dedication shown by everyone at Pick n Pay and Boxer over the past five months. Through a complicated and ever-changing regulatory environment, stores had remained open and safe for customers and staff. The Group had fulfilled its role as an essential service provider with distinction. The business remained strong and stable and was well placed to serve stakeholders in the challenging times ahead. Customer behaviour had shifted in response to the pandemic, with increased price sensitivity, bigger baskets in fewer shopping trips and a shift to online shopping.

The Group had issued an earnings update on the morning of the AGM advising stakeholders that there was a reasonable degree of certainty that headline earnings per share for the first half of FY21 (March to August 2020) would be down by more than 50% year on year, mainly as a result of 3 factors:

- Trading restrictions due to government regulations designed to slow the spread of COVID-19 – the Group had been prohibited from trading in key high margin categories including liquor, tobacco, clothing, general merchandise and hot foods lines during level 5 of the lockdown. While trading restrictions had eased, the prohibitions on tobacco remained and liquor had again been prohibited. Trade had been disrupted not only by a prohibition on the sale of certain product types, but also by store closures and restricted trading hours. The numbers of customers in stores had also been restricted to ensure best practice in social distancing.
- An increase in cost as a result of the COVID-19 pandemic – stringent health and safety standards were reinforced, staff were provided with face masks and Perspex screens at till points, free sanitising wipes and sprays were made available to customers and front-line staff received an appreciation bonus in April and May 2020.
- Once-off costs of the Group's voluntary severance programme – while the programme would be cost neutral for the full financial year and would have a positive impact on the Group's operating cost in future years, it was an additional expense in the first half of FY21.

While that the pandemic had put additional pressure on an already structurally weak economy, Richard Brasher concluded that the Group's plan was the right one for tough

times, with much work already accomplished to reduce costs and invest in the customer offering.

### **REPORT BY DIRECTOR: TRANSFORMATION ON FEED THE NATION FOUNDATION**

Suzanne Ackerman-Berman summarised the work accomplished by Feed The Nation, the foundation that had been formed in response to the pandemic. Conceived in the spirit of the Group's commitment to the communities it served, the initial aim was to improve hygiene standards in the fight against COVID-19. Soap donated by the Willowton Group had been distributed to members of the Schools Club. As the epidemic led to the lockdown of schools, it was apparent that vulnerable school children no longer had access to school feeding schemes. The Feed The Nation Foundation was formed to ensure that food was collected and distributed to the needy.

Initially funded by the Group, the Ackerman Family and individual executives, the Foundation received donations from customers, organisations, foundations (including those of Siya and Rachel Kolisi and of Bryan Habana) and concerned individuals. As at the time of the AGM, donations had reached an astounding R67 million. All funds received were used to provide meals, with the emphasis on feeding vulnerable elderly and children across a national footprint. All store staff assisted in packing and distributing hampers to the needy. Suzanne Ackerman-Berman concluded by thanking all concerned for their generous donations, and for trusting the Foundation, Pick n Pay and Boxer to ensure that all donations received were used to feed the vulnerable and needy in these dire economic times.

The Chairman extended the thanks of the Group to Suzanne Ackerman-Berman for her sterling work in establishing and running the Feed The Nation Foundation to live the core values of Pick n Pay: looking after customers; doing good is good business; and running the business as efficiently as possible so that more could be returned to all stakeholders.

### **GENERAL QUESTIONS FROM SHAREHOLDERS**

The following comments were made and questions asked:

*Shane Watkins:*

*What was the Rand cost of the voluntary severance package and what percentage of corporate employees would 1400 represent?*

Richard Brasher advised that the voluntary severance process was being finalised, so the final cost and numbers represented was not known. It would however be less than was spent on the prior voluntary severance process undertaken three years earlier.

*Shane Watkins:*

*Will you consider an interim dividend despite lower H1 earnings?*

Richard Brasher reminded shareholders that the FY20 final dividend had been deferred, not cancelled, and would be considered, along with the FY21 interim dividend, at the Board meeting to be held in October 2020.

There were no further questions from shareholders.

### **RESULTS OF THE BALLOT**

The Scrutineers calculated the voting results, which were duly certified by the Company Secretary.

The Chairman announced the results of the ballot, confirming that all resolutions had been passed with the requisite majority. The outcome of the voting on each resolution was set out on participant's screens. The results would be published on SENS.

#### **QUESTIONS ON REMUNERATION**

The Chairman pointed out that the proxy votes received on the prior day had indicated that the advisory votes on remuneration may not pass. All concerns on the remuneration policy and its implementation raised earlier in the AGM by shareholders would be fully addressed. Shareholders were invited to contact Penny Gerber of the investor relations team with their concerns.

#### **CLOSING**

The Chairman thanked shareholders for their questions, and Richard Brasher and Suzanne Ackerman-Berman for their reports. There being no further business by members, the proceedings of the 52<sup>nd</sup> Annual General Meeting were formally closed by the Chairman after he thanked all members for their participation.

**THESE MINUTES WERE CERTIFIED ON 19 OCTOBER 2020 TO BE A TRUE AND CORRECT RECORD OF THE PROCEEDINGS BY THE BOARD OF DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING HELD AT KENILWORTH ON 4 AUGUST 2020**



\_\_\_\_\_  
**SIGNED AS CORRECT  
CHAIRMAN**

\_\_\_\_\_  
**19 OCTOBER 2020  
DATE**