

# APPOINTMENT OF DIRECTORS POLICY

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## **1. INTRODUCTION**

The Board of Woolworths Holdings Limited (“WHL” or the “Company”) maintains responsibility for approving directors for appointment to the Board.

In accordance with WHL’s Memorandum of Incorporation (“MOI”), the Board has the power to appoint at any time and from time to time, any appropriate person as a director, either to fill a casual vacancy or as an addition to the Board. The total number of directors shall not at any time exceed 20, being the maximum number stipulated in WHL’s MOI.

The appointment of all directors shall be subject to the approval of the shareholders at the Company’s Annual General Meeting (“AGM”).

## **2. PURPOSE OF THE POLICY**

The purpose of the Appointment of Directors Policy (the “Policy”) is to outline a formal and a transparent process to be utilised in the nomination and final appointment of incoming directors for WHL and its major subsidiaries, Woolworths (Pty) Ltd, David Jones (Pty) Ltd and Country Road Group (Pty) Ltd (collectively, the “Group”).

The Policy aims to ensure that suitable candidates with relevant skills, experience, and knowledge; and who will reflect the Board’s approach to diversity are identified and recommended to the Board for appointment. The Board consists of members who collectively possess the diversity attributes, as set out in the Board Diversity Policy.

The Policy will evidence a clear balance of power and authority at Board level to ensure that no one director has unfettered powers and the Board always acts as a collective. The Board should be of a size and composition that is conducive to making appropriate decisions. It should not be so large that effective decision-making is hindered.

## **3. REGULATORY REQUIREMENTS**

### **3.1 JSE Listings Requirements (“Listings Requirements”) and Debt Listings Requirements**

Paragraph 3.84 of the Listings Requirements and paragraphs 7.7 – 7.8 of the JSE Debt Listings Requirements stipulates that Companies must comply with certain specific requirements concerning the appointment of directors. As these provisions are mandatory, the Group Company Secretary must be in a position to confirm compliance with the Listings Requirements and Debt Listings Requirements in the Annual Compliance Certificate.

### **3.2 The Companies Act 71 of 2008, as amended, (“Companies Act”)**

The Companies Act requires:

- a. the Board to ensure that a director is not disqualified for appointment in terms of Section 69 (on the grounds of being an un-rehabilitated insolvent, prohibited from being a director in terms of regulation, removed from an office of trust on grounds of misconduct involving dishonesty or convicted from fraud, etc.); and
- b. the Company to provide for the election by shareholders of at least 50% of the directors and 50% of any alternate directors.

#### **4. NOMINATIONS COMMITTEE (THE “COMMITTEE”)**

The Committee is appointed by the Board and comprises of at least three non-executive directors, the majority of whom must be independent. The Chairman of the Committee must be an independent non-executive director. In the event that the Chairman of the Board is not independent, the Committee must be chaired by the Lead Independent Director, with the Chairman of the Board attending meetings as a Committee member.

The Committee is mandated to assist the Board with the selection and appointment of directors and to ensure that a transparent and accountable process is followed in determining the Board and the Board committees’ compositions.

#### **5. PROCEDURE FOR THE SELECTION AND APPOINTMENT OF NEW NON-EXECUTIVE DIRECTORS**

The Committee is required to:

- 5.1 annually review the Board composition against the Board Charter, the MOI, the Companies Act, the JSE Listings Requirements and Debt Listings Requirements, King IV™, and the Board Diversity Policy;
- 5.2 perform a needs assessment of the current Board skills, experience and expertise; gender and race diversity; age range; tenure; and levels of independence, and those required in the foreseeable future to ensure Board effectiveness;
- 5.3 consult with the Group Chief Executive Office (“Group CEO”) on the appointment of non-executive directors for all subsidiaries in the Group;
- 5.4 agree and develop selection criteria for potential Board candidates;
- 5.5 provide the Board with details of the selection criteria together with recommendations on potential candidates;
- 5.6 appoint an independent service provider to perform detailed background checks, conduct fit and proper assessments; identify any potential conflicts of interest and assess the independence of potential candidates;
- 5.7 assess and agree on the final candidate(s) to recommend to the Board for approval;
- 5.8 engage with the Remuneration Committee to ensure that the remuneration to be offered is aligned with the Remuneration policy and fees approved by shareholders at the previous AGM;
- 5.9 authorise the Chairman of the Board to approach the preferred candidate(s); and
- 5.10 subject to the Chairman of the Board’s commendation, nominate a candidate for appointment to the Board.

The Board may:

- 5.11 invite the candidate(s) to attend some meetings to meet the Board; and
- 5.12 make its final decision and approve the appointment of a new non-executive director.

The Group Company Secretary will be required to:

- 5.13 prepare relevant letters of appointment, which shall include, inter alia, director duties and obligations, tenure, code of conduct, remuneration, and liability insurance;
- 5.14 ensure that all relevant statutory documentation is completed by the new director and lodged with respective regulators, if applicable; and
- 5.15 ensure that the new director(s) appointment is tabled at the next AGM for election by the Company’s shareholders.

## **6. PROCEDURE FOR THE SELECTION AND APPOINTMENT OF EXECUTIVE DIRECTORS**

### **6.1 Appointment of the Group CEO**

Executive appointments are critical to business success and an important element of corporate governance. The appointment of the Group CEO is notably one of the most important decisions made by the Board given the impact the appointment will have on the Company's culture and ability to attract a high performing executive team, as well as being key to driving shareholder value.

In the appointment of an external candidate, the Committee will in part follow the process utilised in the selection of non-executive directors. The Nominations and Remuneration Committees must:

- ensure the offer to the candidate is attractive;
- ensure that all terms of the contract, including remuneration have been comprehensively understood by the individual;
- seek agreement to the proposed terms from the candidate, and then document these terms of engagement.

The appointment of the Group CEO is in accordance with the terms of the MOI and the Group's Employment Policy (where applicable).

### **6.2 Appointment of Executive Directors who report to the Group CEO**

The Company's Executive Directors, in accordance with their employment contract, report to the Group CEO. The process for the appointment of an Executive to the Board of Directors is initiated by the Group CEO, who reviews candidates' employment history and performance prior to recommending the appointment to the Committee. The Committee:

- reviews the proposed candidate against Board composition;
- reviews the candidate's declaration of interests to ensure no material conflict;
- if comfortable that the candidate is eligible to be a director in terms of the Companies Act, a letter of undertaking should be prepared; and
- recommends for Board approval the appointment of the candidate.

If the appointment relates to the Group Finance Director, the Audit Committee:

- reviews and evaluates the suitability of the expertise and experience of the candidate as a finance director; and
- if satisfied with the credentials of the candidate, recommends for Board approval the appointment of the candidate.

### **6.3 The Remuneration Committee:**

The remuneration and share options offered to candidates for appointment as Executive Directors must be in line with the Group's employment policies, as agreed by the Remuneration Committee.

The Board thereafter assesses the recommendation(s) of the Committee, Remuneration Committee and Audit Committee (if applicable) before approving the appointment.

The appointed director is required to retire at the upcoming AGM in accordance with the Companies Act and the Company's MOI.

## **7. PROCEDURE FOR THE SELECTION OF DOMESTIC PROMINENT INFLUENTIAL PERSONS**

Should a proposed candidate for appointment as an executive or non-executive director be a Domestic Prominent Influential Person as defined in the Financial Intelligence Centre Act, No 38 of 2001, as amended, the due diligence assessment referred to in paragraph 5.6 above must robustly assess the prevalence of any conflicts of interests (actual, potential or perceived) based on accepted best practice, standards and guidelines in this regard, to enable the Committee to assess any potential risks for the Group.

## **8. PROCEDURE FOR THE RE-APPOINTMENT OF RETIRING DIRECTORS**

The re-appointment of directors is not automatic. The Board must endeavour to ensure planned and progressive refreshing of the Board. The Committee assists the Chairman of the Board in evaluating the current Board's skills and qualities on a periodic basis to appropriately assess the current needs of the business and those going forward. The performance and independence of individual directors retiring by rotation is also assessed to enable the Committee to recommend directors for re-election in accordance with the MOI. To comply with international best practice, executive directors also retire by rotation every three years.

At each August meeting, the Committee will evaluate the performance and independence of retiring directors and assess the Board's composition with due regard to the provisions of the Board Diversity Policy. A formal independence test is performed on those directors retiring by rotation at the AGM. The Board applies the direction provided by King IV and international governance best practice in its determination of a director's independence.

Eligible retiring directors will be nominated for re-election at the next AGM accompanied by their resume outlining relevant experience and qualifications.

## **9. NON-EXECUTIVE DIRECTORS' TENURE**

It is the intention of the Board that an independent non-executive director serves no more than three terms of three years, subject to directors' rotation. The Board may however, on an exceptions basis and with good cause, resolve to extend an independent non-executive director's tenure after three terms of three years.

In the event that the Board resolves that an independent non-executive director should continue to hold office after serving three terms of three years, such independent non-executive director shall be subject to continued independence assessments by the Board, which may result in the independent non-executive director being reclassified as a non-independent non-executive director, or could later result in the independent non-executive director's term of office expiring.

The Board shall continually assess the effectiveness and objective judgment of all non-executive directors and should the Board unanimously agree the non-executive director can no longer be considered effective and objective, that non-executive director's term of office shall expire.

## **10. INDUCTION OF NEW DIRECTORS**

Following their appointment, all Directors are offered an induction program to familiarise them with the Group's strategy and business; and are furnished with copies of the past packs of Board and Committee meetings. The induction programme includes meetings with the Chairman, the

Group CEO and CFO, CEOs of relevant subsidiary companies, relevant Exco members, and the Group Company Secretary.

**11. REVIEW AND AMENDMENT OF THE POLICY**

The Policy is reviewed annually by the Committee and any amendments must be recommended to the Board for approval.

*[Approved by WHL Board on 30 August 2024]*