Shoprite Holdings Limited

Proxies voted	No of shares
Sanlam: Ditikeni Trust	1 700

Annual General Meeting
6 November 2026
Financial Year End: 28 June 2026

Executive Summary & Operational Outcomes

In FY 2026, Shoprite Holdings Limited demonstrated strong operational resilience and market dominance, adding R18.1 billion in sales to reach R270.8 billion (+7.2%). The core South African supermarket business outperformed the rest of the market by 3.5x, marking 88 consecutive months of market share gains.. Group trading profit increased 8.4% to R16.2 billion, expanding the trading margin to 6.0%. EBITDA reached R25.8 billion (+7.7%), while diluted headline earnings per share (DHEPS) rose 12.2% to 1 527.4 cents. Adjusted return on invested capital (ROIC) stood at 19.8%, comfortably exceeding its 11.5% WACC. Growth was driven by the Sixty60 e-commerce platform, which generated R25.5 billion in sales (+34.7%) across 997 stores, and adjacent non-grocery business formats (+57.4% sales growth).

Critical Evaluation & Adverse Operating Conditions

Despite top-line expansion, Shoprite navigated significant margin pressures and operational headwinds:

- **Selling Inflation vs. Cost Growth Mismatch**: Internal selling price inflation was contained to 0.8% (with approximately 11 500 products in persistent deflation). While this price leadership protected constrained consumers, general operating cost inflation grew ahead of selling price inflation, placing pressure on core supermarket margins.
- **Macroeconomic & Value Chain Volatility**: Late-year geopolitical shocks (including the Iran War) escalated global fuel prices and supply chain logistics costs. Furthermore, persistent municipal infrastructure deficiencies (water and electricity security) and severe climate events, such as national disaster-level flooding across six South African provinces, elevated operational expenditure for backup utilities and asset protection.
- **Labour Friction & Transformation Bottlenecks**: Total Group staff turnover remained elevated at 25.7% (reaching 34.7% for part-time employees). Days lost to industrial action increased to 10.75 per million hours worked. Additionally, preferential procurement spend on black-owned suppliers contracted to R25.0 billion due to supplier compliance and verification hurdles. Active Shareholder notes with concern the issue of driver safety, which we believe to be under-reported in the company's published documentation.
- **Franchise Segment Drag**: Trading profit in "Other operating segments" declined by 5.4%, impacted by the low inflation environment and the net closure of 42 OK Franchise stores.

Anticipated & Planned Opportunities

To sustain its competitive moat and strategic growth, management is executing several key initiatives:

- **Omnichannel & Ecosystem Scale**: Expanding Sixty60 into hypermarket general merchandise and micro-fulfilment, while scaling fintech services through the replatformed Money Market Account (4.3 million account holders).
- **High-Margin Adjacencies & M&A**: Accelerating rollout of high-margin retail formats (Petshop Science, Uniq Clothing, Medirite Plus) and integrating tactical acquisitions, including Vida e Caffè (quick-service restaurant category) and R&A Cellular (informal market distribution).
- **Digital Transformation & AI Integration**: Deploying AI-driven precision retailing tools, including automated price recommendation engines, the Pixie AI shopping assistant, and the Group-wide SAP S/4HANA Enterprise Resource Planning transition, to optimise gross margins and logistics efficiency.
- **Infrastructure & ESG Resilience**: Directing R6.8 billion in capital expenditure towards supply chain automation, rooftop solar PV expansion (toward its 42% Scope 1 & 2 GHG reduction target by 2030), and aligning workforce transformation with updated 5-year Employment Equity sectoral targets.

The Active Shareholder
ESG INDEX

Active Shareholder is developing a mechanism by which to score a company's ESG. The summary alongside is from a beta version currently being tested. The metrics used to evaluate the five different aspects of ESG are available upon request. While not all of these are regulated and some are aspirational, they all reflect Active Shareholder's goals for ethical, sustainable, and fair governance.

These insights have been used in part to arrive at the proxy recommendations that follow.



Shoprite Holdings Limited

Active Shareholder

6/28/2026

Number	Theme	Score	Total	%	Weighting
1	Governance	9.50	15	63%	28%
2	Remuneration	8.00	13	62%	24%
3	Employment & Labour	7.08	9	79%	17%
4	CSI	2.96	3	99%	6%
5	Environment	13.00	14	93%	26%
	Total	40.54	54	**75%**	100%

Active ESG Score = 75%

Active Shareholder ESG Index
Beta2.06 (2026) Created by LRS in conjunction with Active Shareholder

Score		*Consequence*
below 50	=	*Recommend engagement*
between 50 and 60	=	*Vote against Board Chair*
between 60 and 80	=	*Active commendation*
above 80	=	*Active endorsement*

Overall Summary

Shoprite achieved an Active ESG Score of 75% (39.61/54), receiving an "Active Commendation". Excellent environmental stewardship (93%) and solid labour practices (79%) drive performance. However, structural friction in governance (63%) and remuneration (62%), specifically non-voting AGM report presentations and sub-four-year LTI vesting, prevents the Group from attaining "Active Endorsement" (>80%).

1. Governance (Score: 63% | Weighting: 28%)

Scoring 63% (9.5/15), Shoprite demonstrates core strengths in director independence, meeting attendance, and directorship limits. However, governance is critically weakened by omitting shareholder voting on Audited Financial Statements and Social and Ethics Committee reports, hosting virtual-only AGMs, and granting standing executive invitations to RemCo meetings.

2. Remuneration (Score: 62% | Weighting: 24%)

At 62%, this area represents Shoprite's lowest score. Though disclosures clearly outline dividend rights, multi-metric performance targets, and ESG bonus integration, score penalties stem from LTI vesting periods below four years and the absence of explicit community service metrics within executive incentive scorecards.

3. Employment & Labour (Score: 79% | Weighting: 17%)

Scoring 79%, Shoprite excels in workforce racial (97.9%) and gender (62.7%) representation and broad-based employee share ownership via the Shoprite Employee Trust. However, points were lost due to high group staff turnover (25.7%) exceeding the 10% benchmark and low disability inclusion (0.24% vs 3% sectoral targets).

4. Corporate Social Investment / SED (Score: 99% | Weighting: 6%)

Scoring 99%, Shoprite's CSI spend is substantial (7.1% of NPAT), far surpassing the 1% B-BBEE target. This top-ranking score is only constrained because total CSI spend (R562.8m) equals 4.78x the CEO's total remuneration, falling slightly short of the Active Shareholder's guideline aspiration of 5x CEO pay.

5. Environment (Score: 93% | Weighting: 26%)

Shoprite achieved an outstanding 93%, reflecting robust environmental reporting, external verification, CDP leadership, and multi-year efficiency gains across carbon emissions, waste diversion, energy intensity, and water usage. The only deduction arises from omitting a standalone line item for consolidated environmental protection expenditure in financial statements.

THE ACTIVE SHAREHOLDER
Proxy Recommendations

	Resolution	Rationale	Vote	Outcome of AGM
Ordinary Resolution 1 (1.1 to 1.4) – Re-election of Directors				
1.1	Ms WE Lucas-Bull	**Tenure**: 5 years (Appointed 01/10/2020). **Qualifications**: BSc. **Experience & Capability**: Independent Board Chairman. Former CEO of FirstRand Retail and Chairman of Absa Group. Possesses extensive banking, corporate leadership, and governance expertise.	FOR	FOR: 99.39%
1.2	Mr P Cooper	**Tenure**: 4 years (Appointed 10/08/2021). **Qualifications**: CA(SA), BCom (Hons), HDip Tax Law. **Experience & Capability**: 40-year financial services career; former CEO/CFO of RMB Holdings and RMI Holdings, with 25 years' board experience. His financial, tax, and governance expertise confirms strong capability	FOR	FOR: 95.88%
1.3	Mr SN Maseko	**Tenure**: 3 years (Appointed 27/06/2023). **Qualifications**: BA (LLB). **Experience & Capability**: Former CEO of Telkom SA (9 years) and BP Africa; Chairman of Airlink. His legal background and large-scale executive leadership provide robust capability to serve.	FOR	FOR: 98.51%
1.4	Ms EA Wilton	**Tenure**: 4 years (Appointed 10/08/2021). **Qualifications**: BCom, PGDDB, CD(SA). **Experience & Capability**: Former CIO of Anglo American and Old Mutual, and former CEO of Gijima Holdings. Her ICT, digital transformation, and governance expertise provides excellent capability.	FOR	FOR: 99.92%
Ordinary Resolution 2 (2.1 to 2.4) – Appointment of Audit and Risk Committee members				
2.1	Ms L de Beer	**Tenure**: 5 years (Appointed 11/05/2021). **Qualifications**: CA(SA), MCom (Tax), CD(SA). **Experience & Capability**: Current ARC Chair; Director at Aspen and Momentum. Extensive experience in financial reporting, auditing, tax, and governance ensures strong capability to lead the ARC. Unfortunately, her failure to ensure that the AFS are put to the vote triggers an AGAINST vote.	AGAINST	FOR: 98.84%
2.2	Mr GW Dempster	**Tenure**: 4 years (Appointed 15/11/2021). **Qualifications**: CA(SA), BCom, AMP (INSEAD/Harvard). **Experience & Capability**: Former COO of Nedbank Group; Director at Sun International. Over 30 years in banking, financial management, and risk governance provide strong capability for ARC oversight.	FOR	FOR: 99.96%
2.3	Mr SN Maseko	**Tenure**: 3 years (Appointed 27/06/2023). **Qualifications**: BA (LLB). **Experience & Capability**: Former CEO of Telkom SA and COO of BP Africa; Chairman of Airlink. Senior executive leadership combined with a legal background provides valuable commercial, risk, and	FOR	FOR: 98.29%

	Resolution	Rationale	Vote	Outcome of AGM
		regulatory capability for ARC oversight.		
2.4	Ms EA Wilton	**Tenure**: 4 years (Appointed 10/08/2021). **Qualifications**: BCom, PGDDB, CD(SA). **Experience & Capability**: Former CIO at Anglo American and CEO of Gijima; Director at Growthpoint and Sasfin. Specialised IT, cybersecurity, and digital risk expertise provides essential technical oversight capability for the ARC.	FOR	FOR: 99.81%
Ordinary Resolution 3 (3.1 to 3.5) – Appointment of Social and Ethics Committee members				
3.2	Prof. H Mathebula	**Tenure**: 3 years (Appointed 27/06/2023; SEC Chair 02/03/2026). **Qualifications**: BA, BTh (Hons), MM, PhD. **Capability**: Business school head and experienced director. His governance skills confirm capability; however, Active Shareholder mandates opposing his SEC Chair election because the SEC report is not submitted for shareholder voting.	AGAINST	FOR: 99.82%
3.2	Ms WE Lucas-Bull	**Tenure**: 5 years (Appointed 01/10/2020). **Qualifications**: BSc. **Capability**: Independent Board Chairman, former FirstRand Retail CEO and Absa Group Chair. Her extensive corporate leadership, banking background, and governance expertise provide outstanding capability to serve on the Social and Ethics Committee.	FOR	FOR: 99.83%
3.3	Ms MLD Marole	**Tenure**: 4 years (Appointed 04/03/2022). **Qualifications**: BCom (Acc), MBA, DTE. **Capability**: Executive Chairman of Executive Magic; former director at MTN, Kumba Resources, DBSA, and Sun International. Her extensive corporate executive, HR, and state advisory experience demonstrates strong capability for SEC oversight.	FOR	FOR: 99.99%
3.4	Mr PD Norman	**Tenure**: 4 years (Appointed 04/03/2022). **Qualifications**: MA Psych, MBA. **Capability**: Former Chief HR Officer at MTN Group. Over 20 years' experience in human resource management and organisational psychology provides exceptional capability to oversee employee relations, fair pay, transformation, and labour ethics.	FOR	FOR: 99.96%
3.5	Ms EA Wilton	**Tenure**: 4 years (Appointed 10/08/2021). **Qualifications**: BCom, PGDDB, CD(SA). **Capability**: Former Anglo American CIO and Gijima CEO; Growthpoint director. Her deep expertise in corporate governance, IT systems, ethics, and digital risk management confirms excellent capability to serve on the Social and Ethics Committee.	FOR	FOR: 99.99%
4	Re-appointment of Ernst & Young Inc. as auditors of the Company	Active Shareholder supports Ordinary Resolution 4. Under Active's guidelines, external auditor appointments must be submitted for annual shareholder approval and comply with mandatory audit firm rotation (10-year limit) and partner rotation (5-year limit) rules. Shoprite complies by submitting the re-appointment of Ernst & Young Inc. (EY), with lead	FOR	FOR: 100.00%

	Resolution	Rationale	Vote	Outcome of AGM
		audit partner Anthony Cadman, whose 3-year tenure falls comfortably within regulatory limits.		
5	General authority for Directors to allot and issue ordinary shares	Active Shareholder opposes Ordinary Resolution 5. Under Active's guidelines, placing unissued shares under director control without a specific transaction rationale, designated pricing, and clear operational justification is rejected to protect shareholders against equity dilution and unchecked board authority.	AGAINST	FOR: 92.65%
6	General authority for Directors to issue for cash, those ordinary shares which the Directors are authorised to allot and issue in terms of ordinary resolution 5	Active Shareholder opposes Ordinary Resolution 6. Under Active's guidelines, general authorities to issue shares for cash are rejected because non-pre-emptive equity issuances cause shareholder dilution. Without a specific transaction rationale, designated pricing, and concrete commercial justification, general cash-issuance authorities are opposed.	AGAINST	FOR: 92.15%
7	Approval of the Company's Remuneration Policy	Shoprite's Remuneration Policy (Ordinary Resolution 7) presents a structured framework aligned with King IV/V principles and Section 30A of the amended South African Companies Act. However, evaluated against Active Shareholder's Policy Framework, the policy receives a 62% score in the Active ESG Index, reflecting critical policy friction points alongside notable governance strengths. **Key Strengths** • **Metric Diversity & Strategic Alignment**: The policy maintains a clear separation between STI and LTI metrics using an 80% financial and 20% non-financial split. Non-financial KPIs meaningfully incorporate climate resilience (renewable energy), youth skills absorption, and workforce transformation (Employment Equity). • **Market Benchmarking & Risk Safeguards**: **Performance** targets include relative market measures (NielsenIQ sales growth modifier and peer group TSR). Long-term risk is mitigated through formal Minimum Shareholding Requirements (MSR) and malus/clawback provisions. **Critical Shortfalls & Policy Deviations** • **Sub-4-Year LTI Vesting**: Standard Executive Share Plan (ESP) awards vest after 3 years. Active Shareholder explicitly mandates LTI vesting periods of longer than 4 years to enforce true long-term value creation. • **Unvested Share Rights**: Participants receive qualifying dividend payouts and exercise voting rights on unvested share grants during the vesting period. This violates Active's principle that unvested awards should not carry economic or voting rights until performance conditions are satisfied. • **RemCo Independence Concerns**: Although executives recuse themselves when their own pay	AGAINST	FOR: 94.47%

	Resolution	Rationale	Vote	Outcome of AGM
		is discussed, executive directors and the Board Chair maintain standing invitations to RemCo meetings, breaching Active's guideline that executive attendance should be strictly ad-hoc. • **Omission of Community KPIs**: Incentive scorecards omit direct community service metrics despite the Group's substantial CSI expenditure. **Conclusion** While the policy demonstrates strong disclosure, pay-for-performance calibration, and ESG integration, its 3-year LTI vesting timelines, unvested share rights, and RemCo attendance practices prevent full alignment with Active Shareholder's benchmark guidelines.		
8	Approval of the CEO-ESP Remuneration Policy	Active Shareholder supports Resolution 8. Tabled as a standalone resolution under Section 30A of the Companies Act, this policy awards 100% forfeitable performance shares (70% financial, 30% non-financial) to CEO Pieter Engelbrecht over a 6-year performance period, followed by a 2-year post-vesting lock-in. This 6-year horizon satisfies Active Shareholder's guideline requiring LTIs to vest over longer than 4 years, effectively aligning executive retention with long-term strategy and succession stability. However, we flag that unvested performance shares should ideally not carry dividend or voting rights before vesting.	FOR	FOR: 70.91%
9	Approval of the Company's Remuneration Report	**Executive Remuneration & Single-Figure Transparency** Shoprite's Remuneration Report provides comprehensive single-figure disclosures for Executive Directors. CEO Pieter Engelbrecht's total earned remuneration reached R76.9 million (R117.8 million including long-term ESSI share appreciation rights), driven by 108.3% STI achievement (R21.3 million) and 100% LTI/ESP vesting (R33.5 million), correlating with an 8.4% increase in operating profit. **Pay Gap & Demographic Equity Analysis** In line with Section 30B Companies Act mandates and Active's Policy, Shoprite discloses internal pay ratios and demographic salary adjustments. Lower-level staff received higher annual salary increases (6%–8%) than management (4%–4.5%), with entry-level cashiers earning 7.6% above the national minimum wage. However, extreme vertical wage gaps persist: the ratio of top 5% to bottom 5% earners is 14.5 times, while the ratio of CEO remuneration to the national minimum wage stands at 1 750:1. **Qualifying Dividends on Unvested Shares** A critical policy deviation highlighted by Active Shareholder and ISS guidelines is that executive participants receive qualifying dividend payouts on unvested share awards before performance vesting	AGAINST	FOR: 85.62%

	Resolution	Rationale	Vote	Outcome of AGM
		(e.g. R1.15 million paid to the CFO in FY 2026). Active's guidelines explicitly mandate that unvested share awards should not carry dividend or voting rights until performance conditions are satisfied. **Active Shareholder Stance & Recommendation** Although the implementation report received 97.3% support at the 2025 AGM, Shoprite scores 62% (8/13) on Remuneration in Active Shareholder's 2026 ESG Index. Despite high disclosure quality and pay-for-performance alignment, Active Shareholder maintains an OPPOSE / CAUTION stance on Resolution 9 due to unvested share dividend accruals, sub-4-year standard LTI vesting timelines, and massive vertical pay disparities.		
10	General Authority to Acquire the Company's Own Shares	Active Shareholder opposes Ordinary Resolution 10. Under Active's guidelines, market share repurchases treat shareholders unequally and selectively benefit executives by inflating the value of share options. Active strongly prefers returning cash via dividends or pro-rata repurchases open to all shareholders equally, opposing general market buybacks unless structured as a general offer.	AGAINST	FOR: 98.95%
11	General authority to Directors and/or Company Secretary	Active Shareholder supports Ordinary Resolution 11. This is a standard administrative resolution granting directors and the Company Secretary the authority to execute and implement all resolutions validly passed by shareholders at the AGM. Supporting administrative execution aligns with governance standards, ensuring approved shareholder decisions are lawfully formalised and registered.	FOR	FOR: 99.95%
12 Special resolution 1 – Remuneration of Non-executive Directors				
12.1	Chairman of the Board	**Proposed Fee**: R4 481 360 (+4.0%). Accrues all-inclusively to Board Chair Wendy Lucas-Bull (FY 2026 total: R4,234,000). **Assessment**: AGAINST. The 4.0% increase aligns with inflation. However, paying a flat fee without an attendance-linked structure breaches Active's guideline.	AGAINST	FOR: 99.40%
12.2	Non-executive Directors	**Proposed Fee**: R651 519 per NED (+4.0%). Accrues as base retainer to all 10 NEDs (FY 2026 actual: R616,000). **Assessment**: AGAINST. The 4.0% increase is inflation-aligned. Active flags that fees are paid entirely as fixed retainers without an attendance fee component, scoring 0/1 on Active's ESG Index.	AGAINST	FOR: 99.40%
12.3	Chairman of the Audit and Risk Committee	**Proposed Fee**: R569 908 (+7.0%). Accrues to ARC Chair Linda de Beer (FY 2026 total across roles: R1,452,000). **Assessment**: AGAINST. The 7.0% adjustment reflects the substantial regulatory and technical oversight burden associated with leading the Audit and Risk Committee. However, Active highlights ongoing governance concerns because the AFS are not submitted for shareholder voting at the AGM.	AGAINST	FOR: 99.40%

	Resolution	Rationale	Vote	Outcome of AGM
12.4	Members of the Audit and Risk Committee	**Proposed Fee**: R282 407 per member (+4.0%). Accrues to GW Dempster, SN Maseko, and EA Wilton (FY 2026 totals: ~R1.04m–R1.05m each). **Assessment**: SUPPORT. The 4.0% increase is inflation-aligned, appropriately compensating members for demanding financial reporting, internal controls, and cyber-risk oversight.	FOR	FOR: 99.40%
12.5	Chairman of the Remuneration Committee	**Proposed Fee**: R371 589 (+4.0%). Accrues to RemCo Chair Peter Cooper (FY 2026 total fees: R1,280,000). **Assessment**: AGAINST. Inflation-aligned 4.0% increase. However, Active highlights ongoing governance concerns regarding standing executive invitations to RemCo meetings under his chairmanship.	AGAINST	FOR: 99.40%
12.6	Members of the Remuneration Committee	**Proposed Fee**: R182 192 per member (+5.5%). Accrues to H Mathebula, PD Norman, and CH Wiese. **Assessment**: SUPPORT. Reasonable adjustment reflecting responsibilities in overseeing complex executive pay structures, fair wage policies, and King V transition alignment.	FOR	FOR: 99.40%
12.7	Chairman of the Nomination Committee	**Proposed Fee**: R289 840 (+4.0%). Subsumed into Board Chair Wendy Lucas-Bull's all-inclusive fee. **Assessment**: SUPPORT. Standard fee structure for board composition, director evaluations, and succession planning oversight.	FOR	FOR: 99.40%
12.8	Members of the Nomination Committee	**Proposed Fee**: R151 113 per member (+4.0%). Accrues to P Cooper, L de Beer, H Mathebula, and CH Wiese. **Assessment**: SUPPORT. Inflation-aligned 4.0% increase for ongoing board succession planning and diversity governance.	FOR	FOR: 99.40%
12.9	Chairman of the Social and Ethics Committee	**Proposed Fee**: R318 328 (+4.0%). Accrues to SEC Chair Hlengani Mathebula (FY 2026 total: R1,038,000). **Assessment**: AGAINST. Fee increase is inflation-aligned. However, Active notes governance friction because the SEC report is not submitted for shareholder voting at the AGM.	AGAINST	FOR: 99.40%
12.10	Members of the Social and Ethics Committee	**Proposed Fee**: R163 500 per member (+4.0%). Accrues to WE Lucas-Bull, MLD Marole, PD Norman, and EA Wilton. **Assessment**: SUPPORT. Inflation-aligned 4.0% increase for monitoring workforce transformation, human rights, food safety, and community investment.	FOR	FOR: 99.40%
12.11	Chairman of the Finance and Investment Committee	**Proposed Fee**: R371 589 (+4.0%). Accrues to FIC Chair Christo Wiese (paid to Titan Financial Services; FY 2026 total: R1,280,000). **Assessment**: SUPPORT. Inflation-aligned 4.0% increase for overseeing major capital allocations, acquisitions, and financial investment strategy.	FOR	FOR: 99.40%

	Resolution	Rationale	Vote	Outcome of AGM
12.12	Members of the Finance and Investment Committee	**Proposed Fee**: R179 602 per member (+4.0%). Accrues to WE Lucas-Bull, P Cooper, L de Beer, GW Dempster, and SN Maseko. **Assessment**: SUPPORT. Inflation-aligned 4.0% increase for committee oversight of capital investment evaluation and growth strategy.	FOR	FOR: 99.40%
13	**Special resolution 2 –** Authority to provide financial assistance to subsidiaries, related and inter-related entities	Active Shareholder supports Special Resolution 2. Under Active's guidelines, providing financial assistance (Section 45) to group subsidiaries and inter-related entities is supported to facilitate routine operational treasury functions, inter-company funding, and foreign subsidiary guarantees. Active permits funding assistance for group companies subject to adequate disclosure, while strictly opposing financial assistance to directors (outside share schemes) or unconstrained general authority to "any person".	FOR	FOR: 99.95%

AGM OUTCOME

At the annual general meeting ("AGM") of Shoprite Holdings held on Friday, 6 November 2026, shareholders are advised that all resolutions were passed by the requisite majority of votes represented at the AGM. The results of the AGM, combining the ordinary shares and deferred shares of Shoprite Holdings ("combined shares"), are shown above.