

## GOVERNING STRUCTURES AND DELEGATION | continued

### Delegation of authority

The Board has delegated to the CEO, CFO and other Executive Management the authority to manage the day-to-day business subject to an approval framework established by the Board. These include economic, environmental and social aspects, aligned with that of the Group's strategy and purpose.

 GRI 102-19

The Executive Committee comprises the CEO, CFO and nominated business unit and departmental heads who are responsible to implement and execute the approved strategy and discharge all duties and functions as delegated by the Board. The Executive Committee meets on a regular basis.

The Executive team comprises a group of Executives that collectively have deep institutional knowledge and experience of the Shoprite Group. The Executive team is supported by skilled and experienced business management teams and functional heads who support business operations in key functional areas including risk, compliance, ethics, legal, health and safety, and loss prevention.

Succession planning and management development forms a key part of the Group's strategy to build a reliable leadership pipeline. The Executive team ensures appropriate succession for all key Executive and management positions throughout the business, to reduce any risk of business disruption or loss of momentum on execution of the business strategy if Executive and management positions change or rotate. Although Ram Harisunker retired at the end 2020, celebrating a milestone tenure of more than 50 years with the Group, he remained on the Board. He continued with his management responsibilities and his contract is due to end in December 2021.

### Company Secretary

The Company Secretary focuses on supporting the activities of the Shoprite Holdings Board aligned with its Charter. This includes advising on the adoption and implementation of governance policies to ensure compliance with governance requirements of the Companies Act and JSE Listing Requirements, and to align with evolving governance best practices. The Company Secretary retains independent advisory services as may be requested by the Board, its committees and by individual Board members. He also oversees the induction of new Directors and ongoing Director development for the members of the Board. The Board assesses the Company Secretary's eligibility, skills, knowledge and performance on an annual basis. The results of the Board's assessment in the current year have confirmed the Company Secretary's capacity and performance aligned with his role and functions during FY 2021.

### Board effectiveness and performance

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#### King IV Principle:

**The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.**

The independent appraisal of the Board of Directors that was conducted in 2020 was followed by a self-evaluation during the FY 2021 reporting period. The evaluation was completed by each Director.

The optimal size, diversity, independence and skills required to ensure the Shoprite Group will have an appropriately balanced Board were reviewed as part of the process. A considered mix of new and long-standing members to secure both optimal capacity and Board continuity has been a key consideration in the nominations process outlined above.

Under Shoprite's Board Charter and related governance policies, Non-executive Directors are required to retire by rotation every three years but can make themselves available for re-election at the AGM. The NomCo evaluates the Directors available for re-election and makes appropriate recommendations to the Board.

Following a formal process of re-election and appointment, the Board will submit its nominees for approval at the forthcoming AGM. The Board also identified its nominees for appointment of Independent Non-executive Directors, some of whom will take on the role of chairing the Board committees. The current nominations, if approved, will ensure the appropriate composition of the ARC aligned with statutory/regulatory requirements and contemporary best practice.

### Induction and ongoing development

The Board is reviewing recommendations to enhance the quality of the current Director induction programme, which mainly relate to more exposure to the Group's management and operations, as well as additional training opportunities focused on current trends and issues within the retail industry as well as regulatory updates. In addition, the Board has approved additional opportunities for Directors to receive mentorship focused around improving Director effectiveness.

"Last year the Board undertook a detailed review of its composition and functioning by an independent external party. These recommendations were in line with and support the principles of the King IV Code on Corporate Governance. Adherence to the code sets the tone for ethical behaviour throughout the Group." Wendy Lucas-Bull