

AGM round-up

Truworths International Limited

Shoprite Holdings Limited



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1. Introduction

	Truworths International Limited¹ (Truworths)	Shoprite Holdings Limited (Shoprite)
Date of AGM:	7 November 2024	11 November 2024
Chair of board:	Hilton Saven	Wendy Lucas-Bull
Type of AGM:	Electronic-only AGM , conducted by ComputerShare ²	Electronic-only AGM , conducted by The Meeting Specialist (TMS) ³
Useful links:	Notice of AGM Results of AGM 2023 AGM minutes not publicly available AGM duration: 01:00	Notice of AGM Results of AGM 2023 AGM minutes AGM duration: 01:17

2. Key takeaways

- *Just Share welcomes new CIPC Guideline for AGMs conducted electronically.*
- *Both Truworths and Shoprite conducted electronic-only AGMs, citing a lack of shareholder interest as the reason for not conducting hybrid AGMs.*

3. CIPC publishes Guideline for annual general meetings conducted electronically

On 31 October the Companies and Intellectual Property Commission (CIPC) published a [Guideline for annual general meetings conducted electronically](#). Just Share welcomes the Guideline, which provides clarity on crucial issues related to the conduct of hybrid and electronic-only AGMs.

CIPC Guideline 1 of 2024 (“the CIPC Guideline”) states:

A company that chooses to conduct an AGM electronically should allow for:

1. *Matters to be raised for consideration as an item of business of the AGM.*
2. *A combination of written, verbal, telephonic and video questions to ensure reasonably effective participation in the AGM.*
3. *An agenda to be provided at the start of the AGM, thus allowing shareholders to know when they will be called upon to ask questions.*
4. *Shareholders to be able to see and know who else is attending the AGM online and to be able to interact with each other without an intermediary.*
5. *All participating board and executive members to be visible in real time for the entire AGM, regardless of who is speaking.*

¹ This was the first time that Just Share has attended and asked questions at a Truworths AGM.

² <https://www.computershare.com/za>

³ <https://www.tmsmeetings.co.za/>



4. AGM governance and compliance with CIPC Guideline

Both Truworths and Shoprite conducted electronic-only AGMs. When asked why Shoprite had decided to revert to the electronic-only format after conducting a hybrid AGM last year, Shoprite's chair, Wendy Lucas-Bull, noted that this was because only one shareholder had attended in person last year.

A shareholder asked Truworths' board whether it will allow in-person attendance at next year's AGM. The chair also referred to a lack of in-person shareholder attendance as the reason for conducting an electronic-only AGM.

Lucas-Bull facilitated a well-run AGM which included a detailed agenda for the meeting and an opening address to shareholders, providing key insights into "significant developments of the 2024 financial year". The live video feed at the Shoprite AGM included coverage of the board and all employees attending the AGM in a breakaway room.

Truworths' AGM fell short on various best practices. Only the board chair, Hilton Saven, the group's CEO, Michael Mark, and the group's lead independent director, Hans Hawinkels, were visible – all sitting together at one desk in an office.

No agenda was provided at the start of the AGM. The chair noted that the meeting was duly constituted and immediately began to read out the resolutions.

5. Q&A sessions

At Truworths' AGM, shareholders were able to submit written questions via the ComputerShare platform or use the telephonic dial-in option. Written questions were read out accurately by the group CEO.

At Shoprite's AGM, shareholders were able to submit written questions via the TMS platform, use the voice integration functionality or simply raise a hand electronically when they had a question and then speak, with no dial-in necessary. All written questions submitted were read out accurately by the company secretary.



6. Just Share's questions

6.1. Sustainability competence at board level

Shareholders must be able to easily assess the credentials of each director, including their qualifications, skills, expertise and external directorships, to understand whether the board has the right balance of skills and expertise, especially in the area of sustainability.⁴

Companies are increasingly overstating director expertise in the areas of sustainability, ESG and climate competence. Shareholders must be able to determine whether such claims are credible.

Just Share asked both Truworths and Shoprite about claims the companies make about “sustainability” competence. Truworths claims that 38% of its board is experienced in or has expertise in “sustainability matters”. No definition is provided as to what Truworths means by “sustainability matters” and no evidence is provided in any director biography to support the claim.

In response to the question, Truworths' chair Saven told shareholders that Truworths has “a very strong social and ethics committee” and that the group draws on outside consultants to assist on “sustainability matters” when needed. The biographies of the three members of the social and ethics committee do not support this claim. Saven concluded that the board would take these comments made “on board”, but is of the opinion that “at this particular point in time we have sufficient expertise, both internally and externally”.

Shoprite claims that 85% of its board has “sustainability and environment” skills – which it defines as a “developing or working knowledge of climate change, biodiversity loss and/or insight into responsible sourcing strategies to reduce organisational environmental impact.” These are all very specific and specialised skills.

When asked on what basis Shoprite attributes these skills to board members when none of the biographies provide evidence to support the claim, Lucas-Bull told shareholders that Shoprite has made a “deliberate decision” to develop and increase the skills of the **whole board** by investing in specific training sessions to build capacity in the areas of climate change, biodiversity and ESG in general. Lucas-Bull reiterated that the board has taken the approach that instead of having one person who has a “deep skill”, the group takes the view that the whole board should be skilled.

This does not address Just Share's disclosure concerns, and appears to indicate that none of the board members have specific skills and expertise in these areas - outside of the “training sessions” provided by the company.

⁴ According to King IV, Principle 7. Section 76 of the Companies Act, 2008 also addresses the standards of directors' conduct.



6.2. Board independence

Truworths' chair has been serving in this position for 22 years, and another of its directors for 26 years. In the company's *2024 Report on Corporate Governance and Application of King IV Principles*, it states that "the board confirms that all non-executive directors are correctly categorised in terms of the said definition and guidelines as independent".⁵

When asked if the board could explain to shareholders on what basis it thinks it is still appropriate to consider these two directors as independent, Hawinkels noted that the relevant directors had been "put to vote, and they were voted back onto the board". He reiterated that the board does not concern itself with tenure only, but rather with the "valuable contribution they make to the board". He concluded by stating that the board is in the process of appointing new directors where older directors will be resigning.

6.3. CEO succession planning

Just Share asked the chair of Truworths' nominations committee to update shareholders about the succession plan for the current long-serving CEO. In response, Saven told shareholders that the nominations committee meets on a regular basis and that succession planning is an "important agenda item". Saven also stated that "succession plans are in place not only for the CEO, but for every senior management executive of the Group".

6.4. Board gender diversity

Truworths has met its 2017 gender diversity target of 30% female representation on the board. Just Share inquired whether the company would consider increasing this target.

Saven responded that the company reviews this target on an ongoing basis and maintains a "wish list" for potential non-executive candidates. He added that the company would reevaluate the target as opportunities arise and if suitable candidates are identified, appointments would be made accordingly.

6.5. Employment equity at top and senior management level

Shoprite fell short of its FY24 target of 39% black representation in top management, but expressed confidence in achieving its undisclosed FY25 targets for black and female representation in senior and top management roles. Just Share asked the company to elaborate on the obstacles that prevented it from meeting the FY24 target and requested disclosure of the specific FY25 targets for black and female representation.

In response, Lucas-Bull attributed the shortfall to 14 top management positions not filled by black candidates within a cohort of 430 executives. She explained that succession planning, with an emphasis on both gender and racial diversity across management levels, has been a focus for the past two years, supported by a dedicated training programme to accelerate progress.

⁵ 2024 Report on Corporate Governance and Application of King IV Principles, p. 2.



Lucas-Bull further acknowledged that although the company met its female representation target of 26% in top management, the current figure of 29.7% is below Shoprite’s aspirations and remains a succession planning focus.

Regarding the disclosure of the FY25 targets, company secretary Leeanne Goliath referenced page 37 of Shoprite’s sustainability report as containing these targets. However, this information is not actually provided on that page or elsewhere in the report. Lucas-Bull stated that Shoprite’s targets exceed the sectoral requirements across all levels, but did not provide specific figures.

Just Share highlighted that sectoral targets are bare minimum targets, requiring only 25% black male and 15% female representation in top management - thresholds that Shoprite has already met. In response to these concerns, the chairman emphasised that the company’s internal targets are “significantly above” these sectoral minimums and affirmed Shoprite’s commitment to exceeding the sectoral standards.

6.6. Employment equity at branch management level

Despite women representing 63.2% of Shoprite’s South African workforce, they hold only 34% of the company’s 3,312 branch manager positions. Just Share sought clarity on why this disparity persists and what measures the company is taking to address the barriers that prevent women from advancing to these roles.

CEO Pieter Engelbrecht responded by stating that the 34% female and 66% male split among branch managers reflects the country’s demographics. However, this claim is inaccurate, as women make up 46% of South Africa’s economically active population (EAP).⁶ Engelbrecht’s response overlooked the basis of Just Share’s inquiry, which highlighted that the representation of women in branch management roles does not align with their significantly higher proportion within Shoprite’s broader workforce.

Regarding efforts to close this gap, the company secretary explained that Shoprite offers manager training programmes aimed at providing female employees with leadership exposure and promoting them to management roles as opportunities arise. She stated that the company has implemented a career development framework within its supermarket group to support women’s career progression. Goliath expressed confidence that these initiatives are driving progress.

Lucas-Bull further attributed this gender imbalance to the composition of Shoprite’s workforce, noting that many female employees occupy unskilled roles that do not naturally transition into managerial positions. She emphasised Shoprite’s commitment to addressing this disparity as part of a long-term transformation strategy.

⁶ <https://statics.teams.cdn.office.net/evergreen-assets/safelinks/1/atp-safelinks.html>



6.7. Concerns Over Checkers Sixty60's delivery employment practices and worker protection

Shoprite Group's Checkers Sixty60 grocery delivery service utilises Pingo, a joint venture with RTT On-Demand, relying on over 6,000 independent drivers for last-mile logistics. Just Share highlighted growing concerns in the last-mile delivery sector, particularly regarding the high reliance on foreign workers, potential illegal employment practices, job insecurity, and safety issues. We asked for clarity on the remuneration structure for these independent contractors and information about how Shoprite is addressing these specific concerns.

Lucas-Bull acknowledged that the company predominantly uses foreign drivers, with South Africans making up only 23% of the delivery workforce. She explained that Shoprite is in the process of acquiring Pingo and recently conducted a comprehensive due diligence review. Lucas-Bull further noted that the company is actively recruiting South African drivers, with multiple training centres and a 10-week training programme. However, only 8% of South African trainees have been retained after two years, despite the company's efforts to attract and retain local drivers.

Lucas-Bull said that Pingo drivers earn "significantly above the minimum wage", but did not disclose specific earnings. She also mentioned that drivers benefit from additional policies, including funeral cover and insurance, among other unspecified benefits.

On safety, Lucas-Bull said that drivers operate on South African roads, which have high accident rates. Over time, Shoprite has implemented improved safety measures for drivers, including better equipment and uniforms. Every accident is thoroughly investigated, and of the fatal accidents, only one-third are delivery-related, with the remaining two-thirds involving third parties. She also stated that drivers are not incentivised based on delivery speed, and when weather conditions are unfavourable, the company slows down deliveries to ensure driver safety.

6.8. Gender pay gaps

Truworths reported that it conducts annual analyses on minimum wage, race, and gender pay gaps. While the company disclosed its internal minimum wage for South Africa and gender pay ratios for its UK operations, it did not provide similar gender pay disclosures for its South African division. Just Share asked if Truworths would consider voluntarily disclosing these ratios for South Africa, as some other retail sector peers have done.

Hawinkels, chair of the remuneration committee, initially responded that the company does disclose gender pay ratios for all employees and management in its reports. After Just Share clarified that the question specifically related to South African operations, Hawinkels stated that Truworths would begin disclosing South African pay gap details next year, aligning with regulatory requirements. However, it is worth noting that the Companies Amendment Act 16 of 2024 does not mandate gender pay gap disclosures.



7. Questions asked by other shareholders

Truworths AGM

Another shareholder asked two questions relating to:

- A request for an in-person/ hybrid AGM next year.
- Board diversity.

Shoprite AGM

The Shoprite board faced several questions from other shareholders. The questions asked related to:

- Checkers Sixty60 employment practices.
- Concerns about excessive executive remuneration.
- Race and gender diversity at board, managerial and executive levels.
- Climate action and renewable energy targets.
- Impact of digital transformation on workforce.

8. AGM results

Truworths AGM

The non-binding advisory vote on the group's remuneration implementation report did not receive the requisite majority 75% support, with 25.34% of shareholders voting against it. As a result, Truworths must engage with its dissenting shareholders.

All the other resolutions passed with the requisite majority.

Shoprite AGM

The non-binding advisory votes on the group's remuneration policy and implementation report did not receive the requisite majority 75% support, with 26.42% and 25.70% of shareholders voting against the policy and report, respectively. As a result, Shoprite must engage with its dissenting shareholders.

All the other resolutions passed with the requisite majority.

9. Resources

9.1. Just Share

- **Briefing:** [Women in leadership: Assessing gender equality in the JSE Top 40](#), October 2024
- **Briefing:** [Briefing on pay gaps & leadership diversity in the JSE-listed wholesale and retail sector](#), September 2024



- **Briefing:** Women in leadership JSE Top 40, September 2023
- **Briefing:** Vertical pay gaps at JSE-listed companies, June 2023
- **Op-ed:** Why sectoral equity targets are needed to transform labour market, July 2024
- **Op-ed:** AGMs should also be free and fair, June 2024
- **Guide:** Best practices for South African virtual annual general meetings, May 2020

9.2. Other

- **CIPC Guideline 1 of 2024:** Guideline for annual general meetings conducted electronically, October 2024
- **CIPC legal opinion on virtual AGMs:** Non-binding legal opinion in terms of section 188 (2)(b)(i) of the Companies Act 71 of 2008 (as amended), April 2023

End