

Pick n Pay Stores Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1968/008034/06)
JSE share code: PIK
ISIN: ZAE000005443
("Pick n Pay" or "the Company" or "the Group")

RESOLUTIONS TO ADVANCE RIGHTS OFFER, ACKERMAN INVESTMENT HOLDINGS SUPPORT, STANDBY UNDERWRITING AGREEMENT, BOARD AND CONTROL CHANGES, AVAILABILITY OF CIRCULAR AND NOTICE OF GENERAL MEETING

1. Introduction and background

Shareholders are referred to the SENS and ANS announcements released by the Company on Thursday, 22 February 2024 in terms of which they were advised, *inter alia*, of the Company's proposed two-step recapitalisation plan which, subject to final approval by the board of directors of the Company ("the Board") as well as the requisite shareholder and other regulatory approvals being obtained, will comprise a rights offer to existing shareholders of the Company of R4.0 billion ("Rights Offer"), followed by an offering and listing of shares in the Group's Boxer business on the Main Board of the Johannesburg Stock Exchange ("IPO"). The Rights Offer is expected to take place in the middle of 2024, followed by the IPO towards the end of 2024.

2. Shareholder resolutions

In order to advance the Rights Offer, a general meeting of shareholders will be convened ("General Meeting") for the purposes of considering and, if deemed fit, passing, the resolutions necessary to approve and implement the following actions ("Resolutions"):

1. The conversion of the ordinary shares of the Company from par value to no par value shares;
2. An increase in the authorised ordinary shares and B shares of the Company, through the creation of new authorised ordinary and B shares;
3. Amendments to the memorandum of incorporation ("MOI") of the Company to effect the changes sought to the share capital; and
4. The issue of shares with voting power exceeding 30% of the voting power of the shares currently in issue as part of the Rights Offer.

In addition to the Resolutions required to advance the Rights Offer, as set out above, the Company will ask shareholders to consider and, if deemed fit, to pass the following Resolutions:

5. Amendments to the terms and conditions attached to the B shares as set out in the MOI, which will permit B shareholders to approve, by special resolution, a lower B Share Issue Ratio (as defined in the MOI). This will facilitate a reduction in the voting rights exercisable by B shareholders; and
6. Amendments to the MOI to better align the director rotation provisions in the MOI with the Company's Governance Charter ("Governance Charter").

3. Firm undertaking of support from Ackerman Investment Holdings Proprietary Limited ("AIH")

The Company has received a firm commitment from its controlling shareholder, AIH, in terms of which, subject to its reasonable satisfaction with the terms and conditions of the Rights Offer, AIH will vote in favour of the Resolutions proposed at the General Meeting and will follow its rights up to a maximum amount of ZAR 1,025 billion.

Subject to the passing of the Resolutions at the General Meeting, the Rights Offer will be launched in terms of a separate announcement to be issued at the appropriate time, with a detailed Rights Offer circular setting out the full details of the Rights Offer, to follow.

4. Standby Underwriting Agreement

The Company has concluded a standby underwriting agreement with Absa Bank Limited, Rand Merchant Bank (A division of FirstRand Bank Limited) and The Standard Bank of South Africa Limited in terms of which they have agreed, subject, *inter alia*, to the conclusion of an underwriting agreement on customary terms, to underwrite the Rights Offer amount in equal proportions.

5. Board and control changes

In accordance with paragraph 3.59 of the JSE Limited Listings Requirements, the Board wishes to advise of the following changes to the Board, its Committees and charters:

1. Retirement of Board Chair and Changes to his Committee Memberships

Gareth Ackerman will retire from his role as Chairman of the Board following the release of the Company's FY25 results next year. In addition, Gareth will step down from the Nominations and Corporate Governance Committee and Treasury Committee with immediate effect. The Board extends its sincere thanks to Gareth for his invaluable contribution as Chairman of the Board over the past 14 years and appreciates the support he will provide to management over the coming months. The Board will announce his successor as Chairperson of the Board in due course.

2. Retirement of Non-Executive Director

David Robins will retire as a non-executive director at the Company's 2024 Annual General Meeting ("AGM"), reducing the representation of the Ackerman family on the Board to three members (Gareth Ackerman, Jonathan Ackerman and Suzanne Ackerman). The Board extends heartfelt gratitude to David for his unwavering commitment to the Group for over thirty years and for his incredible 22-year contribution to the Board.

3. Other changes in Committee Memberships

a. Nominations and Corporate Governance Committee

Suzanne Ackerman, Haroon Bhorat and David Friedland will retire from the Nominations and Corporate Governance Committee with immediate effect. The Board has appointed lead independent director James Formby to the Nominations and Corporate Governance Committee and has named Annamarie van der Merwe as the Chair of the committee. Current membership comprises Annamarie van der Merwe (Chair), James Formby, Aboubakar Jakoet and Audrey Mothupi.

b. Social, Ethics and Transformation Committee

The Board notes the retirement of David Robins from the Social, Ethics and Transformation Committee and has appointed independent non-executive director Haroon Bhorat to the committee. The committee now comprises Suzanne Ackerman (Chair), Jonathan Ackerman, Haroon Bhorat and Annamarie van der Merwe.

c. Finance and Investment Committee

The Treasury Committee - an advisory sub-committee to the Audit, Risk and Compliance Committee - has been constituted as a key standing committee and renamed as the Finance and Investment Committee.

The renamed Finance and Investment Committee is chaired by lead independent director James Formby and includes independent non-executive directors Haroon Borat, Mariam Cassim, David Friedland and Aboubakar Jakoet as members.

d. Independent Board Committee

The Corporate Finance Committee has been renamed as the Independent Board Committee and comprises only independent non-executive directors, chaired by the lead independent director James Formby. This Committee is not a key standing committee and is convened only for major regulated transactions or investment decisions.

In addition to the changes detailed above, the Board will initiate a process for long-serving independent non-executive directors to rotate and retire in the ordinary course of board appointments over the next 12-18 months.

4. Changes to the Group's Governance Charter

AIH has agreed to relinquish its right in terms of the Governance Charter to nominate the Chairman, CEO, and CFO of the Board. This change will be reflected in the Governance Charter as soon as practicable.

5. Change in voting control exercised by AIH and its related and inter-related persons ("Ackerman Family")

The Ackerman Family, as the controlling shareholders of the Company, have agreed to forego majority shareholder voting control of Pick n Pay, with the exact mechanics still to be finalised. By utilising the MOI amendment Resolution referenced above, their collective voting rights will fall slightly below 50% post the planned Rights Offer.

The change in voting control, along with AIH's commitment to vote in favour of the Resolutions and to follow its rights as part of the Rights Offer, as well as the Ackerman related changes to the Board and governance committees, reflect a strong vote of confidence by the Ackerman Family in the future of Pick n Pay. These changes are intended to support the Group in its transformation under the leadership of CEO Sean Summers and his management team. The Board, its refreshed committees and the management team appreciate the ongoing support from the Ackerman Family and its representatives on the Board.

6. Notice of General Meeting

The General Meeting will be held entirely by electronic communication, as contemplated in the MOI and in section 63(2)(a) of the Companies Act 71 of 2008, at 08:30 on Wednesday, 26 June 2024.

Shareholders will only be able to speak, participate in and vote at the General Meeting electronically. Shareholders are requested to register for the General Meeting via the electronic platform, www.smartagm.co.za. Details of the steps to be taken in order to access the electronic facility are provided in the Notice of General Meeting.

A circular, providing full details of all the Resolutions detailed above and incorporating a Notice of General Meeting ("Circular"), is available on the Investor Relations page of the Company's website at www.picknpayinvestor.co.za following release of this announcement. The Circular will be distributed electronically following release of this announcement and will be posted to shareholders on Tuesday, 28 May 2024.

The salient details of the General Meeting are as follows:

Issuer name	Pick n Pay Stores Limited
Type of instrument	Ordinary shares and B shares
ISIN	ZAE000005443
JSE share code	PIK
Meeting type	General Meeting
Meeting venue	Entirely by electronic communication
Record date – to determine which shareholders are entitled to receive the Notice of General Meeting	Friday, 17 May 2024
Posting date	28 May 2024
Last day to trade – Last day to trade to determine eligible shareholders that may attend, speak and vote at the General Meeting	Tuesday, 18 June 2024
Record date – Record date to determine eligible shareholders that may attend, speak and vote at the General Meeting	Friday, 21 June 2024
Proxy deadline (for administrative purposes, forms of proxy for the General Meeting to be lodged)^	08:30 on Monday, 24 June 2024
General Meeting date	08:30 on Wednesday, 26 June 2024
Publication of results of General Meeting	Wednesday, 26 June 2024
Company's weblink to Circular	www.picknpayinvestor.co.za

^ If shareholders do not lodge, email or post the form of proxy so as to reach the Transfer Secretaries at or before 08:30 on Monday, 24 June 2024, shareholders may email the form of proxy to the Transfer Secretaries at proxy@computershare.co.za, immediately prior to the commencement of the General Meeting, in accordance with the instructions contained therein (and are requested to be so emailed by no later than 08:00, being 30 minutes prior to the time appointed for commencement of the General Meeting.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this announcement and confirm that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement in this announcement false or misleading and that all reasonable enquiries to ascertain such facts have been made.

By order of the Board
Cape Town
27 May 2024

Transaction sponsor:
RAND MERCHANT BANK (A division of FirstRand Bank Limited)