

MASSMART HOLDINGS LIMITED

NOMINATION COMMITTEE CHARTER

1. Definitions

In this Charter, the following words and phrases shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings and cognate expressions shall bear corresponding meanings:

- | | | |
|-----|------------------------|--|
| 1.1 | "Annual Report" | the integrated annual report of the Company from time to time; |
| 1.2 | "Board" | the Board of Directors of the Company as constituted from time to time in accordance with the MOI; |
| 1.3 | "CEO" | the chief executive officer of the Company from time to time; |
| 1.4 | "Chairman" | the chairman of the Committee from time to time; |
| 1.5 | "Charter" | this nomination committee charter as amended or replaced from time to time; |
| 1.6 | "Committee" | this nomination committee as constituted in terms of the MOI read with this Charter; |
| 1.7 | "Companies Act" | the Companies Act, 71 of 2008 and any regulations published thereunder from time to time, all as amended or replaced from time to time; |
| 1.8 | "Company" | Massmart Holdings Limited, registration number 1940/014066/06, a public company incorporated and registered in accordance with the laws of South Africa; |
| 1.9 | "Directors" | the directors of the Company from time to time; |

- 1.10 **"Executive"** a member of the Company's executive committee from time to time;
- 1.11 **"FD"** the Group financial director of the Company from time to time;
- 1.12 **"General Counsel"** the general counsel of the Company from time to time;
- 1.13 **"Governance Authorities"** the Company's delegation of authority document as reviewed, approved, amended or replaced by the Board from time to time;
- 1.14 **"Group"** the Company and its subsidiaries from time to time;
- 1.15 **"MOI"** the memorandum of incorporation of the Company adopted in compliance with the Companies Act, as amended or replaced from time to time; and
- 1.16 **"Stakeholders"** any group affected by, and affecting, the Company's operations.

2. Introduction

The main purpose of the Committee is to assist the Board to fulfil its responsibility to all Stakeholders by making recommendations on the appointment and succession of the Group's Board members and senior executives in support of the Company's strategic objectives. The backdrop to this shall be all relevant Stakeholder, governance and regulatory requirements while creating value for the Company over the long term.

3. Composition

- 3.1 The Committee shall be appointed by the Board and shall consist of at least three non-executive directors of the Company, of whom at least two shall be independent. The quorum shall be two members.
- 3.2 The Chairman shall be appointed by the Board and will be an independent non-executive director.

- 3.3 The Directors, members of the Human Resources Department of the Company and external advisors may attend meetings by invitation from time to time, but shall not, subject to the consent of the Chairman, be entitled to vote.
- 3.4 The General Counsel, Company Secretary or any Executive nominated by the Chairman from time to time shall be the secretary of the Committee.
- 3.5 The term of office of the Committee shall be one year, and the Board will review its composition and chairmanship annually.

4. **Role and responsibilities of the Committee**

The formal lines of authority and approval by the Committee are documented in the Governance Authorities.

4.1 **Committee Responsibilities**

- 4.1.1 The nominations functions of the Committee shall include assisting the Board with:
 - 4.1.1.1 making recommendations on the composition of the Board with respect to race, gender and the balance between executive, non-executive and independent non-executive members appointed to the Board, as well as acknowledging the specialist or industry-specific skills required by the Group;
 - 4.1.1.2 identifying and nominating candidates and formulating succession plans for the approval of the Board for the appointment of new executive and non-executive Directors, including the Chairperson and CEO;
 - 4.1.1.3 recommending Directors who are retiring by rotation, for re-election;
 - 4.1.1.4 monitoring the principles of governance and code of best practice in respect of Board composition, structure and process;
 - 4.1.1.5 ensuring that the Board has the appropriate composition to execute its duties effectively;

- 4.1.1.6 the induction and on-going training and development of Directors take place;
- 4.1.1.7 finding and recommending to the Board a replacement for the CEO when that becomes necessary.
- 4.1.2 The Committee must assist the Board to ensure that the achievement of the competitive strategies, operating plans and financial objectives of the Group are supported by appropriate executive recruitment, succession and compensation strategies which take account of:
 - 4.1.2.1 each Group company's stage in its life cycle and the executive capabilities appropriate for that stage;
 - 4.1.2.2 the present and future posts which need to be filled to mitigate risk;
 - 4.1.2.3 the availability of individuals to fill such posts;
 - 4.1.2.4 the cost and composition of remuneration packages paid to individuals holding comparable positions in the retail and wholesale industry or other industries as appropriate;
 - 4.1.2.5 the Company's policies regarding the various components and mix of compensation, incentivisation and wealth creation;
 - 4.1.2.6 the cost of executive compensation to the company relative to short, medium and long term performance;
 - 4.1.2.7 the time required to recruit, induct, inculcate and train individuals to be fully effective in new positions; and
 - 4.1.2.8 the total compensation programme is designed with full consideration of all accounting, tax and regulatory requirements and shall be of the highest quality.

5. Meeting Procedures

- 5.1 The meetings and proceedings of the Committee shall be governed *mutatis mutandis*, by the provisions of the MOI regulating the meetings and

proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any of the conditions laid down herein.

- 5.2 Meetings of the Committee will be held at least four times annually.
- 5.3 Minutes of the meetings will be maintained and will be circulated to the Board.

6. **Remuneration**

- 6.1 Having regard to the functions performed by the members of the Committee, in addition to their functions as Directors and in relation to the activities of the Committee, members of the Committee shall (unless specifically waived in writing) be paid such additional special remuneration in respect of their appointment as shall be fixed by the Board and as approved by shareholders.
- 6.2 The Chairman shall receive a further fee, determined by the Board, in addition to his remuneration as a member.

7. **Evaluation**

- 7.1 Annually the Committee shall perform a self-assessment. These findings, together with the Chairmen's formal responses, shall be tabled to the Board.
- 7.2 This Charter shall annually be reviewed by the Board and amended or replaced as necessary.