



WOOLWORTHS HOLDINGS LIMITED

2019 Remuneration Report

As extracted from the 2019 Integrated Annual Report

OUR REMUNERATION REPORT

THIS REPORT COMPRISES THREE SECTIONS

SECTION 1

A report from the Chairman of the Remuneration Committee on material matters deliberated on by the committee during the year.

SECTION 2

Details of the remuneration philosophy, policy, and framework to motivate and reward performance at short-, medium-, and long-term time frames. This is tabled at the Annual General Meeting (AGM) for a non-binding advisory vote by the Group's shareholders.

SECTION 3

The implementation of the Remuneration Policy in the 2019 financial year, tabled at the AGM for a separate non-binding advisory vote by the Group's shareholders. The report addresses the Group's performance for the year ended 30 June 2019, and the remuneration earned by the executive directors explaining how the policy has translated into the remuneration earned by the executive directors.

SHAREHOLDER VOTING ON REMUNERATION RESOLUTIONS

	2018	2017	2016
REMUNERATION POLICY	79.91%	96.92%	69.9%
IMPLEMENTATION REPORT	60.26%	93.57%	No voting requirement
NON-EXECUTIVE DIRECTORS REMUNERATION	96.05%	98.55%	98.25%

Engagement with shareholders on remuneration matters by the Chairman of the Board and the Remuneration Committee are discussed in this report.

SECTION 1: REMUNERATION COMMITTEE CHAIRMAN'S REPORT

I am pleased to table the Remuneration Policy and the Implementation Report for FY2019 to be tabled at the 2019 Annual General Meeting, enabling the committee to receive direct feedback from shareholders.

In line with best practice and previous reports, the FY2019 Remuneration Report encompasses three sections: a background and context setting with material issues dealt with by the committee; the Remuneration Policy applicable for FY2020; and the Implementation Report explaining how the Remuneration Policy was applied for FY2019 with specific disclosure on the Group's executive directors' remuneration.

BACKGROUND STATEMENT

In 2018, some shareholders were disappointed in the way we applied and implemented the Remuneration Policy and a number of shareholders declined to endorse our Implementation Report. In line with the King IV™ principles, the committee actively engaged with dissenting shareholders. A conference call was held on 11 December 2018, enabling participating shareholders to engage with the committee on their views.

In addition to several shareholder engagements prior to the Annual General Meeting, the committee welcomed the opportunity to get additional views from shareholders. The feedback received from these engagements stimulated much debate and discussion in committee meetings during the year. A specific workshop dedicated to these matters was held by the Remuneration Committee. Informed by these discussions, changes have been made to the Remuneration Policy and we have enhanced the disclosure in the Implementation Report.

Malus and clawback provisions have now been incorporated into both the Corporate short-term and the long-term incentive schemes and the Group gatekeeper principle has been removed from the Corporate short-term incentive scheme. Additional disclosure has been

implemented, being the prospective disclosure of long-term incentive targets, additional disclosure of the linkage of strategy and the individual executive director's goals, and more clarity provided in the retrospective targets of elements of the Corporate short-term incentive scheme.

The changes and the consideration of shareholders' comments are explained in more detail in the Remuneration Report.

FINANCIAL PERFORMANCE FOR THE PERIOD

The cyclical challenges in the retail sector in both South Africa and Australia continued. The Group experienced a challenging financial year, with performance mixed in the two main trading geographies. Woolworths SA has traded well during the year with a much improved performance in Fashion, Beauty and Home as a result of a focus on core ranges and basics, backed by improved availability. Food continues its good momentum with volume growth driven by further investment in price, innovation and convenience.

In Australia, Country Road Group has had mixed performance within the suite of brands resulting in performance below expectations. David Jones has been significantly impacted by the poor performance of the business.

Both businesses have been affected by the accelerating structural changes affecting the Australian retail sector. This has resulted in a further impairment charge of A\$437.4 million (net of deferred tax), reducing the valuation of David Jones to c. A\$965.0 million.

Group adjusted profit before tax (aPBT) decreased by 0.2% to R4.8 billion and HEPS has declined 1.0% to 342.9 cents per share (53-week figures).

ALLOCATION OF ONCE-OFF RESTRICTED SHARE AWARDS

The executive directors are regarded as being key to ensuring that the Group delivers sustainable returns for shareholders. They hold pivotal roles in the Group structure and the committee considered it important to retain these key individuals for continuity and delivery of the long-term strategy.

RSP shares to the value of R243 million were allocated to key and critical talent in Woolworths South Africa (R187m - 88 employees), the Group Finance Director, Group Chief Operating Officer and the CEO of Woolworths South Africa. The awards are conditional on the achievement of acceptable individual performance over a five-year vesting period, which is aligned to the medium-term plan (MTP) of the Group, as explained on pages 163 and 164.

USEFUL LINKS: FOR MORE DETAIL

[Our Finance Director's Report](#)

SHAREHOLDER ENGAGEMENT AND CHANGES TO THE REMUNERATION POLICY AND DISCLOSURE FOR THE 2020 FINANCIAL YEAR

Key concerns raised by shareholders during engagement pre and post the 2018 AGM and the decisions made by the Remuneration Committee are as follows:

FEEDBACK RECEIVED	COMMITTEE RESPONSE AND ACTION TAKEN
REMUNERATION POLICY	
Request to include malus and clawback provisions	Malus and two-year clawback provisions will be included in short- and long-term incentive schemes from 1 July 2019, save for PSPs which require shareholder approval at the AGM.
Consideration of minimum shareholding requirements (MSR) for executive directors	The current shareholding of executive directors is considered satisfactory (>100%). Committee deliberations on this matter are ongoing.
The impact of Group (WHL) aPBT as a gatekeeper to the Corporate STI is seen as a significant risk to the potential loss of talent in performing operating entities	Group (WHL) aPBT was implemented as a gatekeeper in 2015 to encourage Group thinking and execution. This has resulted in certain unintended consequences. The committee has removed Group (WHL) aPBT as a gatekeeper, but retained aEBIT as a gatekeeper at operating entity level for FY2019.
IMPLEMENTATION	
Disclosure of prospective LTI targets will provide greater transparency	Prospective targets for LTI allocations are now disclosed. See page 177.
More detail to be provided on the retrospective Corporate STI targets to ascertain the level of target setting	Additional details on retrospective STI targets are now disclosed. See page 174.
Show more explicit linkage between strategy and individual goals	Greater disclosure on linkage between strategy and executive directors' achievement against goals is provided. See page 164.
Consider the inclusion of a measure of salary gap between highest and lowest earners, e.g. GINI coefficient	The committee believes that the principles which guide the Group's fair and responsible remuneration address these issues. The Group's fair and responsible remuneration barometer provides disclosure of remuneration elements across categories of employees. See page 172.
OTHER CHANGES IMPLEMENTED	
Corporate short-term incentive bonus pool	The bonus pool available for the 2020 financial year has been reduced by: <ul style="list-style-type: none"> • WSA 50% • DJ 65% • CRC 50% This has been done to align the bonus pools with the initial budgeted growth expectations of the operating entities. The committee may review the bonus pools during the year depending on trading performance achieved in each of the operating entities.

IMPACT OF DAVID JONES IMPAIRMENT CHARGE

The impairment charge in respect of David Jones reduces the equity denominator of the ROCE calculation used for performance conditions of the PSP (for executive directors) and RSP (for Group CEO).

The committee will therefore apply the same principle it adopted at the time of the initial impairment in FY2018 by increasing the target to compensate for the equity reduction arising from the impairment.

SINGLE-FIGURE REMUNERATION

The Remuneration Committee continues to apply the King IV™ principle that companies must provide a single total figure of remuneration. To assist the reader of the report, elements in the Implementation Report are cross-referenced to disclosure of the remuneration received and receivable by the executive directors.

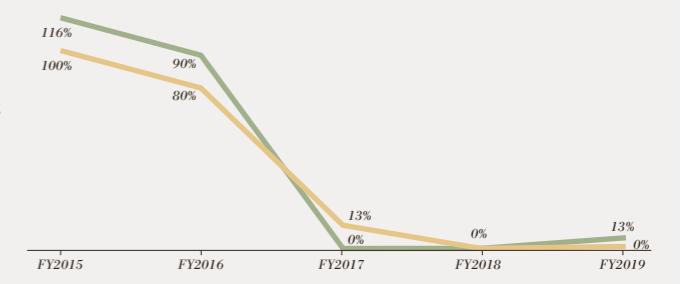
INDEPENDENT EXTERNAL ADVICE

The committee makes use of independent external advice on remuneration trends and market benchmarks. PwC provided advice on local and global remuneration trends as well as with specific benchmarking data on executive remuneration and non-executive directors' fees. Independent external remuneration advice was provided by PwC, DG Capital, and for the Australian operations, Mercer.

CONCLUSION

The committee continues to engage proactively with shareholders on remuneration matters.

The graph shows the vesting of short- and long-term incentive schemes for the executive directors over the past five years. The committee is satisfied that the Group's remuneration policy has resulted in a direct relationship between the financial performance of the Group and the variable remuneration earned by the executive directors.



The Board will put both the Remuneration Policy and the Implementation Report as non-binding advisory shareholder resolutions at the AGM on 27 November 2019. We invite any shareholder wishing to engage the Chairman of the Remuneration Committee on the Group's Remuneration Policy and Implementation Report to do so via email at Governance@woolworths.co.za.

If 25% or more of the shareholders do not endorse either resolution at the AGM, the Board will invite dissenting shareholders to engage with the committee on their concerns.

The committee remains confident that the Group's remuneration philosophy and policies are aligned to its strategy, aligned with market best practice, and are subject to a robust re-examination each year. However, where it is clear that the Remuneration Policy should be reconsidered in order to adapt to changing business realities and to maximise shareholder value, or where shareholders have raised legitimate concerns regarding an aspect of the Remuneration Policy, the committee will consider amending relevant aspects of the Group's remuneration framework.

TA BOARDMAN
Chairman of the Remuneration Committee

The committee is pleased to submit a high-level summary of the Remuneration and Implementation Reports on pages 157 - 158.

SUMMARY REMUNERATION & IMPLEMENTATION REPORT

REMUNERATION FRAMEWORK

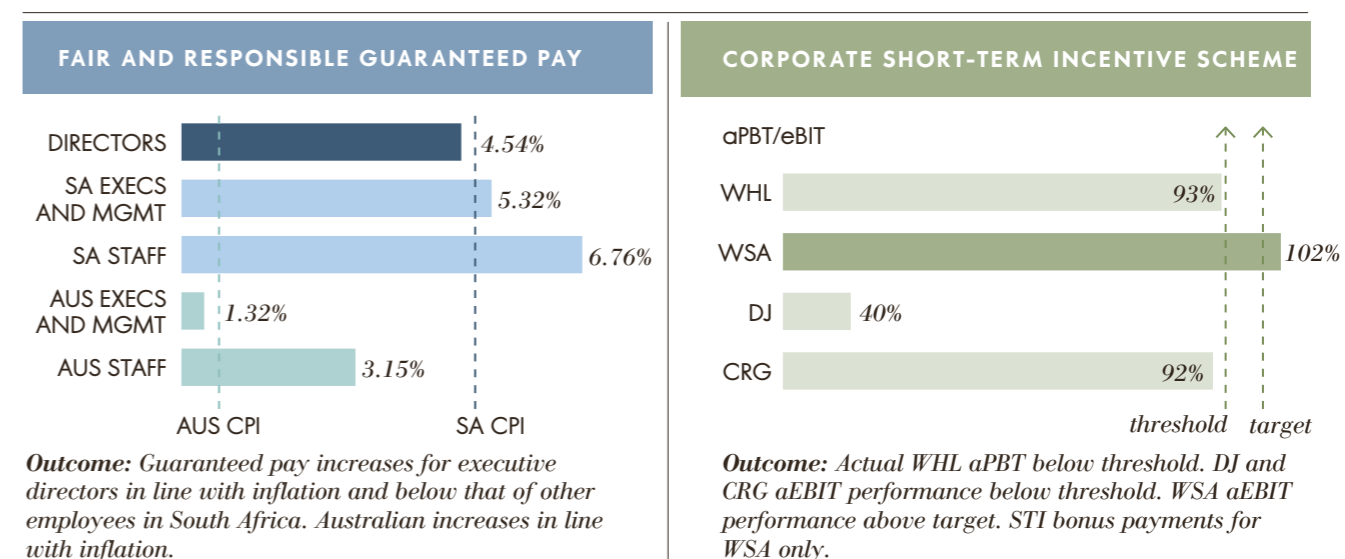
The remuneration framework has been designed to achieve a fair and sustainable balance between guaranteed pay and short- and long-term variable remuneration.

	GUARANTEED PAY	CORPORATE SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES
PARTICIPATION	All permanent employees	All permanent employees primarily based in head offices	Executive directors, senior executives and selected employees
PERFORMANCE PERIOD	Ongoing	One year	Generally three years, up to five years
MECHANICS	Market-related and individual performance	Formula directed	Formula directed
METHOD OF DELIVERY	Cash	Cash	WHL shares
TIMING OF DELIVERY	Increases from 1 October	Annually in September if performance conditions are met	Annually in September if performance conditions are met
PERFORMANCE MEASURES	Individual performance measures (IPM)	Group aPBT and individual company/business unit aEBIT	Prior to August 2018: HEPS, ROCE and TSR Post August 2018: HEPS, ROCE and cash flow
PURPOSE	Attraction and retention	Delivery of one-year strategic initiatives and financial performance	Delivery of three-year Medium Term Plan (MTP) and selected retention

CHANGES IMPLEMENTED

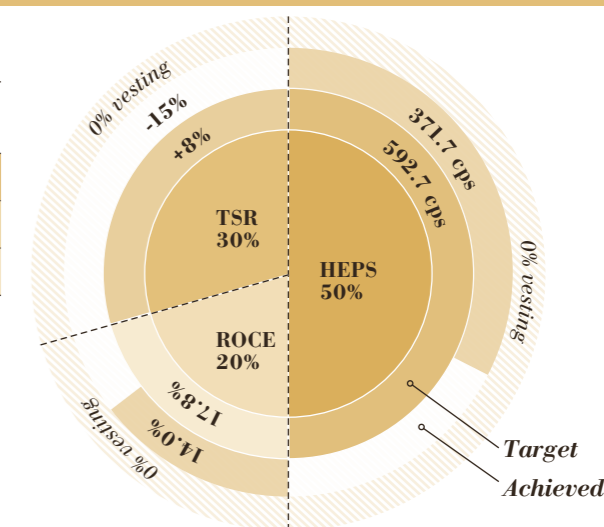
CHANGES	CHANGES
Removal of Group aPBT as gatekeeper of Corporate STI scheme. Gatekeeper applied at operating entity level	Inclusion of malus and clawback provisions
Inclusion of malus and clawback provisions	Prospective disclosure of targets
Retrospective disclosure of targets	Consideration to only include JSE Schedule 14 schemes in the utilisation of shares calculation. Shares purchased on the open market for the purposes of the RSP scheme will therefore not be included in the calculation

OUTCOMES FOR FINANCIAL YEAR ENDED 30 JUNE 2019



LONG-TERM INCENTIVE SHARE SCHEME (ALLOCATIONS MADE IN 2016)

PERFORMANCE CONDITION	ACHIEVED	TARGET
HEPS	371.7 cps	592.7 cps
ROCE	14.0%	17.8%
TSR	-15%	+8%



SINGLE-FIGURE REMUNERATION

Single-figure remuneration is disclosed for executive directors' remuneration for 2019. The intention of single-figure remuneration is to disclose the remuneration earned or accrued by directors based on the performance of the current year, including any income attributable to unvested long-term share schemes.

	GUARANTEED PAY			SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES		REMUNERATION
	Base salary R'000	Benefits R'000	Total guaranteed pay R'000	Performance bonus R'000	Fair value of shares R'000	Dividends received R'000	Total remuneration R'000
2019 Total	39 857	1 481	41 338	2 107	-	6 626	50 071
2018 Total	37 891	1 387	39 278	-	6 996	5 012	51 286

USEFUL LINKS: FOR MORE DETAIL

[Remuneration Policy](#)

[Implementation Report](#)

SECTION 2: REMUNERATION POLICY

This report specifically deals with the remuneration for the Group Chief Executive Officer (Group CEO), executive directors and executive committee members (execs). Disclosure is also provided in line with the requirements of South African legislation and King IV™. The policy applies on a Group-wide basis. In order to provide a more comprehensive view, policies applicable either to different levels of employee and/or different geographic areas are included where appropriate.

THE FOLLOWING COLOURS ARE USED IN THE REMUNERATION REPORT TO DENOTE THE FOLLOWING

REMUNERATION	GUARANTEED PAY (GP)	VARIABLE PAY (VP)	SHORT-TERM INCENTIVES (STI)	LONG-TERM INCENTIVES (LTI)	DIRECTORS' FEES
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REMUNERATION PHILOSOPHY

The Group's remuneration philosophy is to ensure that employees are rewarded appropriately for their contribution to the execution of the strategy of the Group. As an integral component of the Employee Value Proposition (EVP), the Remuneration Policy has been designed so that it will continue to attract, engage, retain, and motivate the right, diverse talent required to deliver sustainable profit growth.

The remuneration policies are designed to achieve alignment between the Group's business strategy and the behaviours of all employees against the values of the Group. The policies recognise and reward individual responsibility, performance, and behaviour in the achievement of the business areas' goals. These policies are applicable to all Group employees and participation in short- and long-term incentive schemes is dependent on an individual's role and level within the Group.

The Remuneration Policy is focused on achieving a fair and sustainable balance between GP, STIs, LTIs, and retention schemes for these employees. The fair and responsible application of the Remuneration Policy (on a Group-wide basis) is guided by the King IV™ principles relating to fair and responsible remuneration, which have been adopted by the WHL Group.

FAIR AND RESPONSIBLE REMUNERATION

The Remuneration Policy addresses fair and responsible remuneration for executive management in the context of overall employee remuneration. The Group has developed a 'fair pay barometer' to measure fair and responsible remuneration in a manner relevant to its business model.

Principles that drive the Group's policy on fair and responsible remuneration are:

- consideration given to minimum wage legislative requirements and living wage
- equal pay for work of equal value, specifically addressing any income disparities based on gender and race
- all permanent employees of the Group (excluding certain categories of employees in Australia subject to bargaining arrangements) participate in some form of short-term incentive scheme
- all permanent employees participate in equal measure on product discounts
- specific corporate initiatives are applied to enhance work experience and improve the EVP for employees.

USEFUL LINKS: FOR MORE DETAIL

[Fair and Responsible Pay Barometer](#)

REMUNERATION FRAMEWORK

The Group's EVP framework balances remuneration (financial rewards) with other non-financial rewards to drive and deliver a high performance culture. The remuneration component of the EVP framework is made up of two elements – Guaranteed Pay (GP) and Variable Pay (VP) as illustrated below:

REMUNERATION			
GUARANTEED PAY		VARIABLE PAY	
Benchmarked against applicable retail and non-retail companies within geographic locations to ensure that GP is competitive and attracts and retains the required level of experience and expertise required for the Group		Short- and long-term incentives with the opportunity to earn additional financial rewards over performance periods of between one and five years	
BASE PAY	BENEFITS	SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES
Market-related salary tailored to roles and performance	Market-related benefits including pension/superannuation, healthcare, vehicle allowances, discounts on purchases	Annual performance bonus paid on the achievement of one-year financial targets Employees in the Group participate in an STI scheme appropriate to the level and role that they perform in the Group Gain-share and commission based incentive schemes are in place for store and distribution centre employees	Share schemes designed to incentivise Group CEO, executive directors, execs and senior- to middle-management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations: • Performance Share Plan (PSP) • Restricted Share Plan (RSP)

DISCRETION

The remuneration framework provides a guideline for the Group's remuneration arrangements. Although the basis for STI and LTI awards are formulaic in nature, participation in variable pay remuneration is discretionary.

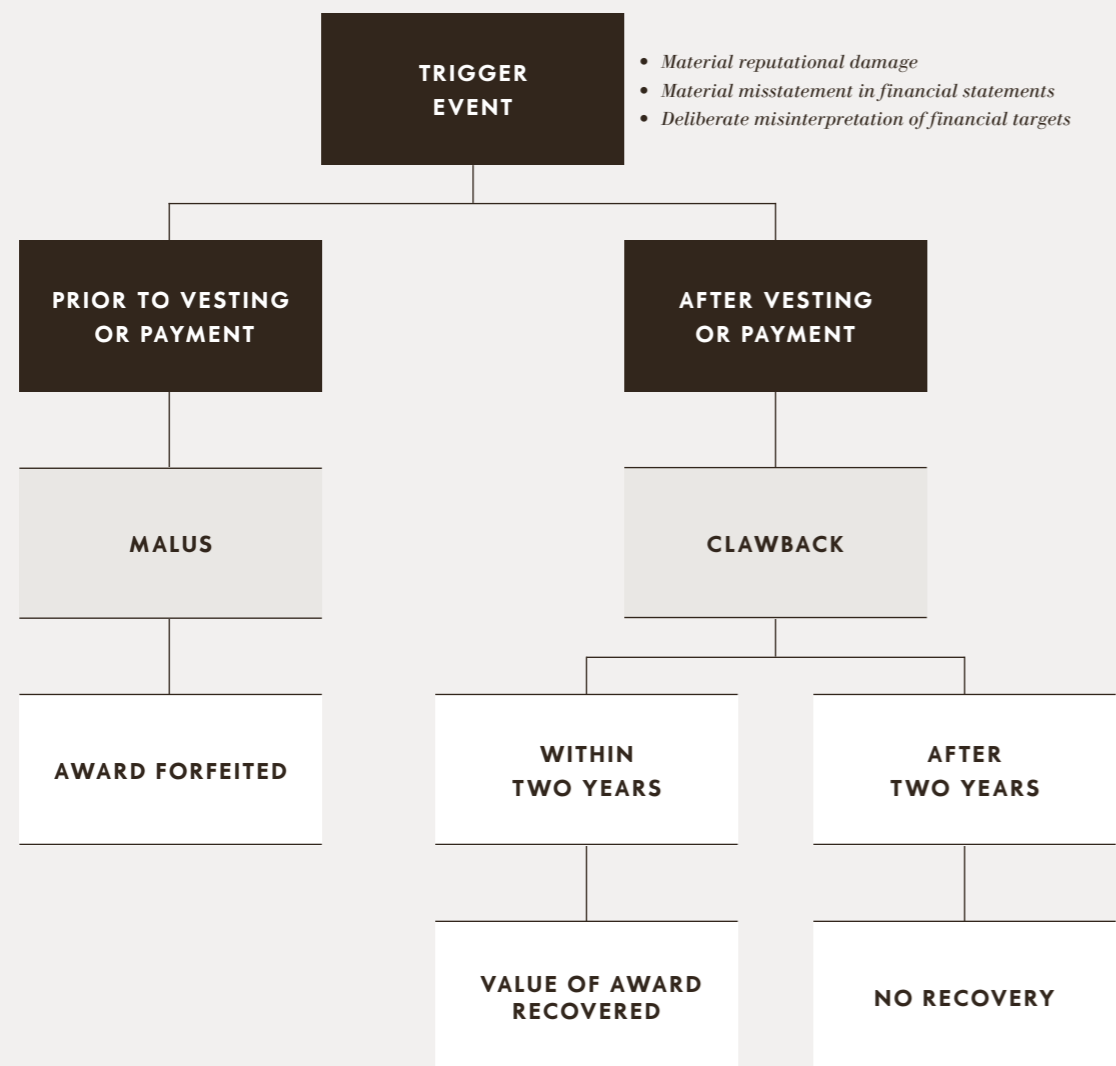
The Remuneration Committee determines the size of the STI pools and has the discretion to exercise reasonability and discretion to make ex gratia payments where extraordinary value has been created by executives. Discretion is not exercised in the calculation of the performance conditions for the short- and long-term incentive schemes. If a material deviation from the Remuneration Policy occurs, this will be appropriately disclosed in the Remuneration Report.

MALUS AND CLAWBACK PROVISIONS

With effect from 1 July 2019, the Remuneration Policy will include malus (adjusting) and clawback (recovery) provisions for awards allocated to executive directors and Exco members of operating entities. Malus and clawback provision will be incorporated in the Corporate short-term incentive scheme and share allocations under the long-term incentive scheme.

These provisions will enable the committee to recover variable remuneration awards made based on the occurrence of a trigger event caused by the participant that has led to loss or damage incurred by the Group.

Shareholder approval, at the AGM on 27 November 2019, is required to include the malus and clawback provisions in the PSP long term incentive share scheme.



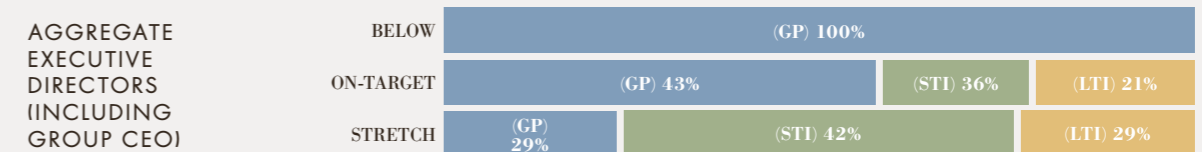
The clawback provision is applicable for a two-year period after the payment of any Corporate STI or vesting of any PSP or RSP shares effective from 1 July 2019.

REMUNERATION MIX

To achieve a performance culture and an alignment with shareholders through value creation, the total reward mix for the Group CEO, executive directors, Exco members, and senior management is geared towards a higher percentage of variable pay which is 'at risk' to drive the achievement of stretch goals.

The chart below illustrates the potential composition (in Rand and % composition) for the aggregate of the Group CEO and executive directors at below, on-target, and stretch levels.

The 'below' level assumes Guaranteed Pay (GPI) with vesting of annual LTI allocations and no STI payments. On-target level assumes 50% vesting of annual LTI allocations and on-target STI performance. Stretch assumes 100% vesting of annual LTI allocations and stretch STI performance.



ALIGNMENT TO STRATEGY AND FINANCIAL MEDIUM-TERM PLAN

ALIGNMENT TO STRATEGY

The Board reviews the Group's balanced scorecard quarterly to monitor the performance of the six strategic focus areas at Group and operating entity level.

In order to focus on the achievement of the Group's or entity's strategy, up to 60% of an individual's performance measurement (IPM) includes objectives aligned with the achievement of the operating entity's strategic focus areas. The remaining 40% of the IPM rating measures the employee's behaviours against the Group's values.

The IPM rating is an input to the determination of an employee's increase in guaranteed pay. In addition, the IPM rating is a multiplier of the final percentage allocation for the Corporate STI scheme. Exceptional performance (4 rating) will multiply the allocation by 120%, average performance will reduce the allocation by 20% (2 rating) and poor performance (1 rating) will not attract any bonus.

The process of incorporating the six strategic focus areas and the financial performance measures are illustrated as follows:



ALIGNMENT TO MEDIUM-TERM PLAN (MTP)

A three-year medium-term plan (MTP) is developed from the strategic focus areas and drives the achievement of financial targets which will deliver sustainable financial returns to shareholders and enhance stakeholder value. Key measures from the MTP are included in the short- and long term incentive schemes. This drives ownership of the MTP by the executive directors and rewards achievement of the measures in both the Corporate STI scheme and the performance conditions of the LTI scheme.

MEDIUM-TERM PLAN (3 YEARS)	INCLUDED IN	FINANCIAL PERFORMANCE		
		PERFORMANCE CONDITIONS	BALANCED SCORECARD	SHORT-TERM INCENTIVES (1 YEAR)
SALES	INCLUDED IN	✓		
aEBIT		✓	✓	
OPERATING PROFIT MARGIN %		✓		
aHEPS				✓
ROCE				✓
EBITDA				✓
NET DEBT				✓

DIRECTORS' PERFORMANCE ALIGNMENT TO STRATEGIC FOCUS AREAS

The table below shows how the strategic focus areas are integrated into the Group CEO and executive directors' IPMs.

STRATEGIC FOCUS AREAS	HOW WE MEASURE SUCCESS	WHL	GROUP CEO	GROUP FD	GROUP COO	WSA	WSA CEO
CUSTOMER RELATIONSHIPS	Number of active customers	●	✓		✓	●	✓
	% revenue tracked on loyalty cards	●	✓		✓	●	✓
CONNECTED RETAIL	Growth in online sales	●	✓		✓	●	✓
	% online sales	●	✓			●	✓
	Net new space	●	✓			●	✓
LEADING FASHION RETAILER	Sales	●	✓			●	✓
	Comparable sales growth	●	✓			●	✓
	Gross profit margin	●	✓			●	✓
	Return on sales %	●	✓			●	✓
BIG FOOD BUSINESS	Market share (12mma)	●	✓				✓
	Sales	●	✓			●	✓
	Comparable sales growth	●	✓			●	✓
	Price movement	●	✓			●	✓
	Gross profit margin	●	✓			●	✓
DRIVE SYNERGIES	Return on sales %	●	✓			●	✓
	Market share (12mma)	●	✓			●	✓
	Cost to sell %	●	✓	✓	✓	●	✓
	% targets achieved on sustainability scorecard	●	✓	✓	✓	●	✓
FINANCIAL PERFORMANCE	aEBIT	●	✓	✓	✓	●	✓
	ROCE	●	✓	✓	✓	●	✓

MEASUREMENT: ACHIEVED ● PARTIALLY ACHIEVED ● MISSED ● INCLUDED IN IPM ✓

Measurements from the delivery of the six strategic focus areas are incorporated into the executive directors' IPMs (in addition to individual specific goals) and provide an assessment of their individual performance. This IPM assessment is input into their increase in guaranteed pay and Corporate STI individual multiplier.


USEFUL LINKS: FOR MORE DETAIL

[Implementation Report](#)

EXECUTIVE DIRECTORS



REMUNERATION POLICY APPLICABLE TO THE 2020 FINANCIAL YEAR

The table below sets out the components of the remuneration framework which will be applied by the WHL Group in the 2020 financial year for the Group Chief Executive Officer (Group CEO), executive directors and key senior executives (execs).

GUARANTEED PAY		SHORT-TERM INCENTIVES
<p>BASE SALARY</p> <p>PURPOSE AND LINK TO STRATEGY Market-related level of remuneration with consideration to specific requirements of the role</p> <p>MECHANICS Reviewed annually against retail peer companies in South Africa, Australia and other countries in which the Group trades Market conditions, company performance, internal comparability, individual performance and responsibility are taken into consideration Includes performance against financial and non-financial objectives and individual behaviour against Group values No obligation to increase base salary</p> <p>OPPORTUNITY & MAXIMUM LIMIT Base salary reviewed in context of company and Group performance, in-country CPI and affordability</p> <p>PERFORMANCE CONDITIONS Adjustments influenced by individual performance measures aligned with strategic focus areas and behaviours to Group values</p>	<p>RETIREMENT/SUPERANNUATION, HEALTHCARE, AND OTHER BENEFITS</p> <p>PURPOSE AND LINK TO STRATEGY Benefits and allowances of a compulsory and non-compulsory nature appropriate to the market and contribute to well-being of employees, in line with EVP</p> <p>MECHANICS Benefits include: • retirement funding, superannuation • healthcare • motor vehicle allowance and vehicle leasing options • product discount on purchases made in the Group's stores • other benefits as per specific country</p> <p>OPPORTUNITY & MAXIMUM LIMIT Some benefits and the quantum of the benefits will vary according to Group's subsidiaries and the market in which they trade</p> <p>PERFORMANCE CONDITIONS n/a</p>	<p>SHORT-TERM PERFORMANCE BONUS</p> <p>PURPOSE AND LINK TO STRATEGY Motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan</p> <p>MECHANICS The target is determined annually in advance STI calculated as follows: • Group CEO: 100% based on Group performance • Group COO and Group FD: 100% based on Group performance • WSA, DJ, CRG CEOs: 50% based on Group performance and 50% based on company performance • Execs: 20% based on Group performance with remaining 80% based on company and/or specific business area performance IPM and specific company EBIT performance are multipliers of the final payments Payments commence when threshold incentive trigger is achieved. Earnings potential is applied on a sliding scale between threshold, on-target and stretch performance</p> <p>OPPORTUNITY & MAXIMUM LIMIT On-target and stretch performance percentage of GP: GROUP CEO 100% 125% GROUP COO AND GROUP FD 80% 150% WSA CEO 80% 150% DJ AND CRG CEOs 80% 125% EXECS WSA 30% TO 50% 75% TO 150% AUS 20% TO 30% 60% TO 115%</p> <p>PERFORMANCE CONDITIONS Target: % growth of Group aPBT and/or company aEBIT No Group aPBT gatekeeper for profit pool accumulation Company aEBIT gatekeeper applied at 93% In finalising STI payments, the Remuneration Committee may exercise discretion to mitigate any unintended consequences</p> <p>MALUS AND CLAWBACK Malus and two-year clawback provisions apply to executive directors and Exco of operating entities</p> <p>OTHERS All employees in the Group* participate in an STI scheme at different levels of % of GP at on-target and stretch levels. A percentage of Group performance is included in the STI calculation regardless of the participants' employer company Group STI payments are made in cash in September each year after the finalisation of WHL audited annual financial results Store and supply chain employees participate in gain-share or commission schemes appropriate to their employer company. Cash payments may be made monthly, quarterly or biannually dependent on the scheme The Remuneration Committee has the discretion to exercise reasonability and discretion to pay ex gratia payments where extraordinary value has been created by executives</p> <p>NO. OF PARTICIPANTS 47 513 </p>
<p>USEFUL LINKS: FOR MORE DETAIL</p> <p>Remuneration Policy</p> <p>PSP allocations</p> <p>STI calculations</p> <p>Single-figure Remuneration</p>		

*excluding certain categories of employees in Australia subject to bargaining arrangements

Components of the framework may differ between the three main operating subsidiaries of the WHL Group and, where elements are different, the details per subsidiary are highlighted. The remuneration framework is applied to all Group employees, with LTI components not available to lower management when 'line of sight' is not easily attributable to those roles.

LONG-TERM INCENTIVES																					
<p>PERFORMANCE SHARE PLAN</p> <p>PURPOSE AND LINK TO STRATEGY Motivate employees to achieve three-year strategy aligning shareholder and executive interests</p> <p>MECHANICS Participants are entitled to the delivery of conditional awards in shares after three years from date of grant provided that certain performance conditions are met Vesting occurs subject to the achievement of performance conditions over the three-year performance period Vesting occurs on a linear scale in accordance with an agreed threshold and stretch target Participants receive a payment settled in equity on vesting equal to the value of dividends paid on the vested shares during the vesting period</p> <p>OPPORTUNITY & MAXIMUM LIMIT Grants are made annually at the discretion of the Remuneration Committee based on GP at grant date. Allocations capped at: GROUP COO AND GROUP FD 100% EXECS (WSA) 46% TO 79% WSA, DJ AND CRG CEOs 100% DJ AND CRG EXCO 46% TO 50%</p> <p>PERFORMANCE CONDITIONS Executive directors, Group execs, Operating entities' Execos: Annual allocation with 100% based on financial performance conditions Senior management: Annual allocation with 50% based on financial performance conditions and 50% based on non-financial performance</p> <p>FINANCIAL PERFORMANCE CONDITIONS AND WEIGHTINGS</p> <table border="1"> <thead> <tr> <th>PERFORMANCE</th> <th>WEIGHTING</th> <th>MEASUREMENT</th> <th>THRESHOLD</th> <th>STRETCH TARGET</th> </tr> </thead> <tbody> <tr> <td>HEPS</td> <td>50%</td> <td>3-year CAGR of HEPS > SA and Australia weighted CPI</td> <td>VESTING 30%</td> <td>100%</td> </tr> <tr> <td>ROCE</td> <td>30%</td> <td>ROCE performance > WACC in medium-term plan</td> <td>VESTING 30%</td> <td>100%</td> </tr> <tr> <td>CASH FLOW</td> <td>20%</td> <td>Net debt: EBITDA ratio</td> <td>VESTING 30%</td> <td>100%</td> </tr> </tbody> </table> <p>No retesting of performance conditions. Awards lapse if performance conditions are not achieved</p> <p>OTHER CATEGORIES/PARTICIPANTS: Vesting linked to the achievement of IPM scoring measure</p>	PERFORMANCE	WEIGHTING	MEASUREMENT	THRESHOLD	STRETCH TARGET	HEPS	50%	3-year CAGR of HEPS > SA and Australia weighted CPI	VESTING 30%	100%	ROCE	30%	ROCE performance > WACC in medium-term plan	VESTING 30%	100%	CASH FLOW	20%	Net debt: EBITDA ratio	VESTING 30%	100%	<p>RESTRICTED SHARE PLAN</p> <p>PURPOSE AND LINK TO STRATEGY Retain and motivate employees who are key to the delivery of the Group's long-term strategy Enables the recruitment of key executives to address value forfeited on resignation from a previous employer</p> <p>MECHANICS Participants allocated the unrestricted delivery of shares after a three- to five-year period from the date of grant or shorter period at the discretion of the Remuneration Committee Vesting and ownership to participants occurs on condition that the participant is still in the employ of the Group on the expiry of the agreed vesting period and any applicable performance conditions are achieved Staggered vesting occurs from year three to year five. The Remuneration Committee has the discretion to amend vesting periods where appropriate Participants are entitled to receive dividends during the vesting period RSP allocations are not awarded to Australia-based employees</p> <p>OPPORTUNITY & MAXIMUM LIMIT Awards subject to Remuneration Committee discretion GROUP CEO ANNUAL ALLOCATION: 150% OTHER CATEGORIES/PARTICIPANTS The Remuneration Committee has the discretion to determine the minimum and maximum award of GP at grant date Allocations are limited to the Group CEO, executive directors, Group Exco members and selected core and scarce employees</p> <p>PERFORMANCE CONDITIONS GROUP CEO The Group CEO receives an annual allocation of RSP with financial performance conditions and weightings as below</p> <p>OTHER CATEGORIES/PARTICIPANTS: 100% vesting on condition that the participant is still in the employ of the Group at the vesting dates, and/or acceptable performance</p> <p>MALUS AND CLAWBACK Malus and two-year clawback provisions apply to executive directors and Excos of operating entities</p> <p>OTHERS Rules governing cessation of employment, change in control and delisting as per scheme rules aligned with King IV™ recommendations</p> <p>NO. OF PARTICIPANTS 711 </p>
PERFORMANCE	WEIGHTING	MEASUREMENT	THRESHOLD	STRETCH TARGET																	
HEPS	50%	3-year CAGR of HEPS > SA and Australia weighted CPI	VESTING 30%	100%																	
ROCE	30%	ROCE performance > WACC in medium-term plan	VESTING 30%	100%																	
CASH FLOW	20%	Net debt: EBITDA ratio	VESTING 30%	100%																	
<p>MALUS AND CLAWBACK Malus and two-year clawback provisions apply to executive directors and Excos of operating entities</p> <p>OTHERS Rules governing cessation of employment, change in control and delisting as per scheme rules aligned with King IV™ recommendations</p> <p>NO. OF PARTICIPANTS 109 </p>																					

SERVICE CONTRACTS AND NOTICE PERIODS

Executive directors and execs have employment agreements with the company which may be terminated with notice periods of between six and twelve months. The Group CEO's contract has a 12-month notice period. Employment agreements may also include restraint of trade agreements. Expatriate execs employed on a fixed-term contract are subject to obtaining and maintaining applicable work permits.

WOOLWORTHS HOLDINGS SHARE TRUST

The Woolworths Holdings Share Trust is managed by two independent non-executive directors acting as trustees. The Trust administers the utilisation of shares for the purposes of the long-term incentive share schemes. The Trust Deed and share scheme rules, approved by shareholders in November 2010, are in compliance with the Johannesburg Stock Exchange Limited (JSE) Listings Requirements.

The maximum number of shares available for allocation in terms of the Schedule 14 schemes, as approved by the JSE is 85 000 000, currently representing approximately 8% of the Group's issued share capital. In any one financial year, the maximum market value of grants and/or offers in terms of the LTI schemes may not exceed 250% (face value) of an individual's guaranteed pay. The aggregate total number of shares awarded to an individual participant in terms of JSE Schedule 14 schemes may not exceed 12 700 000.

Shares allocated to participants under JSE Schedule 14 schemes may be purchased on the open market or new shares may be issued. Shares and grants may not be awarded or exercised during a closed period.

IMPACT OF RSP SCHEME ON SHARES AVAILABLE FOR UTILISATION

The Group introduced the Restricted Share Plan scheme in 2009, primarily for retention of selected employees. Shares awarded to participants, in terms of the RSP scheme, are purchased on the open market at the prevailing market price.

The Group previously deducted RSP awards from the number of shares available for utilisation. During the year, the Remuneration Committee reconsidered this practice and decided that, from 1 July 2018, by virtue of neither being a requirement of Listing Requirements or legal practice, these shares would be reflected separately and not deducted from the maximum number of shares available for JSE Schedule 14 share schemes. The committee decided that, in line with the principle of fair and transparent disclosure, the amount of RSP shares purchased during the financial year would be disclosed in the Implementation Report.

NON-EXECUTIVE DIRECTORS

REMUNERATION POLICY

The table below sets out the remuneration framework applied by the Group for the 2019 financial year for non-executive directors.

This framework is also applicable for the 2020 financial year and forms the underlying basis for the directors' fees tabled for shareholder approval at the AGM to be held on 27 November 2019.

NON-EXECUTIVE DIRECTORS' REMUNERATION	
FEES	OTHER BENEFITS
<p>CHAIRMAN, LEAD INDEPENDENT DIRECTOR AND DIRECTORS A market-related fee to attract and retain experienced and diverse non-executive directors</p>	<p>MECHANICS Non-executive directors receive product discounts on purchases made in WHL Group stores No other benefits are provided Non-executive directors do not participate in any STI or LTI schemes The Chairman receives post-retirement healthcare by virtue of him previously holding the role of Group CEO and retiring from that position</p>
<p>COMMITTEE MEMBERSHIP The fees reflect the additional responsibilities and time commitment taken by membership of Board committees. Committee chairmen receive an additional amount</p>	
<p>MECHANICS An annual fee structure. Directors are required to provide input on an ongoing basis throughout the year, not merely confined to attendance at meetings International directors not based in South Africa earn directors' fees commensurate to market-related fees in their respective jurisdictions and paid in the currency of that country Fees reflect the time commitment, travel, demands, and responsibilities of the role Non-executive directors who perform a similar role for any of the direct operating subsidiaries of WHL are remunerated for those functions. Zarina Bassa is a Non-executive Director of WSA and Chairman of its committees, Hubert Brody served as the Chairman of WSA Audit Panel and Christopher Colfer is a Non-executive Director of DJ and CRG and Chairman of the Risk and Compliance and Remuneration Committees. Clive Thomson will chair the WSA Audit Panel and Audit Committees of DJ and CRG Audited non-executive directors' fees for the 2019 financial year are shown on page 185</p>	
<p>OTHER Fees are reviewed annually against retail peer companies in South Africa, Australia, and the United Kingdom Fees are proposed by the executive directors, based on independently benchmarked data, to the Remuneration Committee which, in turn, recommends the fees to the Board for final approval by shareholders Fees are paid quarterly in arrears in cash</p>	

PROPOSED NON-EXECUTIVE DIRECTORS' FEES

The proposed fees for non-executive directors have been independently benchmarked by PwC.

Three comparator groups have been used for the benchmarks:

- industry-based: JSE-listed retail companies
- size-based: JSE-listed companies based on size
- international: selected retail companies listed in Australia and the UK

Fees have been unchanged since 2018. The Board agreed to propose a 5.0% increase for all fees with the exception of the increases for the Chairman and the Lead Independent Director to take into account the requested increase in time and responsibilities of the Australian business and leading a relatively new Board. Proposed fees for UK and Australia-based directors are based on relevant benchmarks. The proposed fees (exclusive of South African VAT) from 1 January 2020 are shown in the table below:

	Current approved fees (R'000)	Proposed fees (R'000)	% increase
Chairman	1 728.2	2 250.0	30.2
Lead Independent Director	662.5	795.0	20.0
South Africa-based director	400.6	420.6	5.0
United Kingdom-based director (paid in £)	£75.9	£77.5	2.0
Australia-based director (paid in A\$)	A\$158.9	A\$134.0	(15.7)
Audit Committee chairman	345.1	362.4	5.0
Audit Committee member	189.2	198.7	5.0
Nominations Committee chairman	178.1	187.0	5.0
Nominations Committee member	111.3	116.9	5.0
Remuneration Committee chairman	233.8	245.5	5.0
Remuneration Committee member	122.4	128.5	5.0
Risk and Compliance Committee chairman	233.8	245.4	5.0
Risk and Compliance Committee member	122.4	128.5	5.0
Social and Ethics Committee chairman	189.2	198.7	5.0
Social and Ethics Committee member	111.3	116.9	5.0
Sustainability Committee chairman	189.2	198.7	5.0
Sustainability Committee member	111.3	116.9	5.0
Treasury Committee chairman	-	245.4	-
Treasury Committee member	44.5	129.9	>100.0
Hourly rate for additional services	R5 342	R5 609	5.0

SERVICE CONTRACTS

Non-executive directors do not have service contracts but serve the company through letters of appointment, which may be terminated without liability for compensation. Directors must be re-elected by shareholders at an AGM on a rotational basis, usually at three-year intervals.

SECTION 3: IMPLEMENTATION REPORT FOR THE YEAR ENDED 30 JUNE 2019

This section of the report specifically deals with the remuneration for the Group CEO, executive directors and non-executive directors. Where appropriate, details are included for execs and other employees. Prescribed officer roles are held by executive directors.

COMPLIANCE WITH THE REMUNERATION POLICY

The Remuneration Committee monitored the implementation of the Remuneration Policy throughout the year and is of the view that the Group was in material compliance with the 2019 Remuneration Policy (as set out in the 2018 Integrated Annual Report).

FAIR AND RESPONSIBLE REMUNERATION

The barometer is discussed at Remuneration Committee meetings on an annual basis. The barometer enables the committee to consider the remuneration of executive directors in the context of the remuneration earned by other levels of employees and differing geographies of the Group.

The Group continues to make significant progress in terms of managing 'the ethics of pay'. The barometer shown on the opposite page explains the application for the 2019 financial year.

GROUP CEO AND EXECUTIVE DIRECTORS

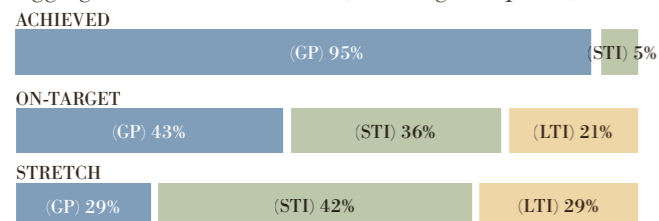
REMUNERATION MIX

The chart below has been prepared on the same basis as the chart on page 162 representing the potential mix of GP, STI, and LTI compared with the actual mix achieved for the year ended 30 June 2019. The chart reflects the composition for the aggregation for the Group CEO and executive directors.

On-target level assumes 50% vesting of annual LTI allocations and on-target STI performance. Stretch (maximum) assumes 100% vesting of annual LTI allocations and stretch STI performance.

The achieved remuneration mix is a result of the partial payments for short-term performance incentives for the year, explained in more detail on page 174, while LTI vesting did not occur.

Aggregate Executive Directors (including Group CEO)



Only the WSA CEO earned STI for 2019.

USEFUL LINKS: FOR MORE DETAIL

[Single-figure Remuneration](#)

GUARANTEED PAY

The annual GP increases are set out in the table below.

	% INCREASE IN GUARANTEED PAY
Group CEO and executive directors	4.54%
Senior executives and management:	
South Africa	5.32%
Australia	1.32%
Staff	
South Africa	6.76%
Australia	3.15%

Increases in guaranteed pay are referenced to inflation for the differing geographic areas. Increases were effective 1 October 2018.

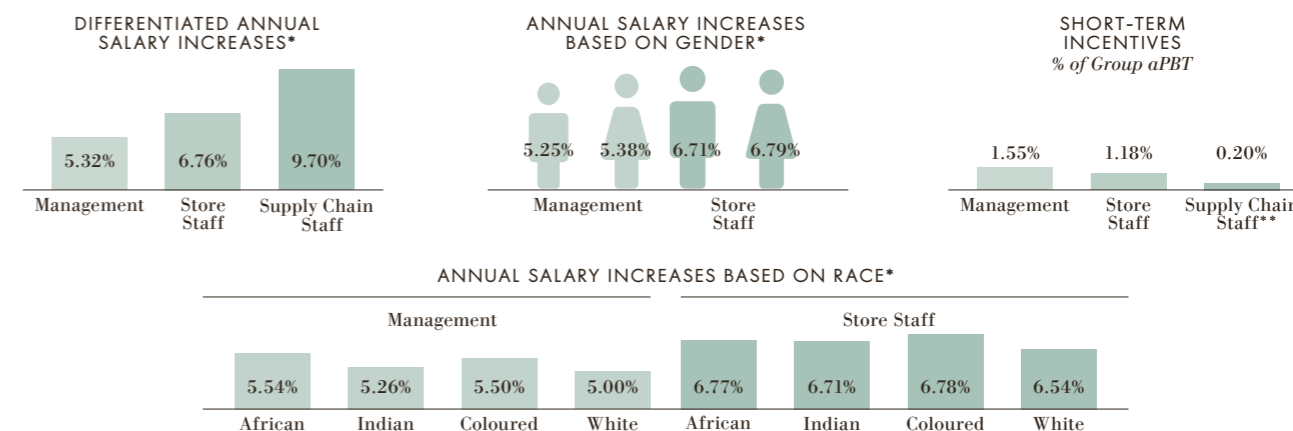
The Group continues to address and reduce the pay gap between management and staff by awarding staff higher percentage increases than management. Adjustments to guaranteed pay were above CPI in South Africa and Australia.

SINGLE-FIGURE REMUNERATION

Increases awarded to the executive directors effective 1 October 2018 are shown under guaranteed pay and benefits.

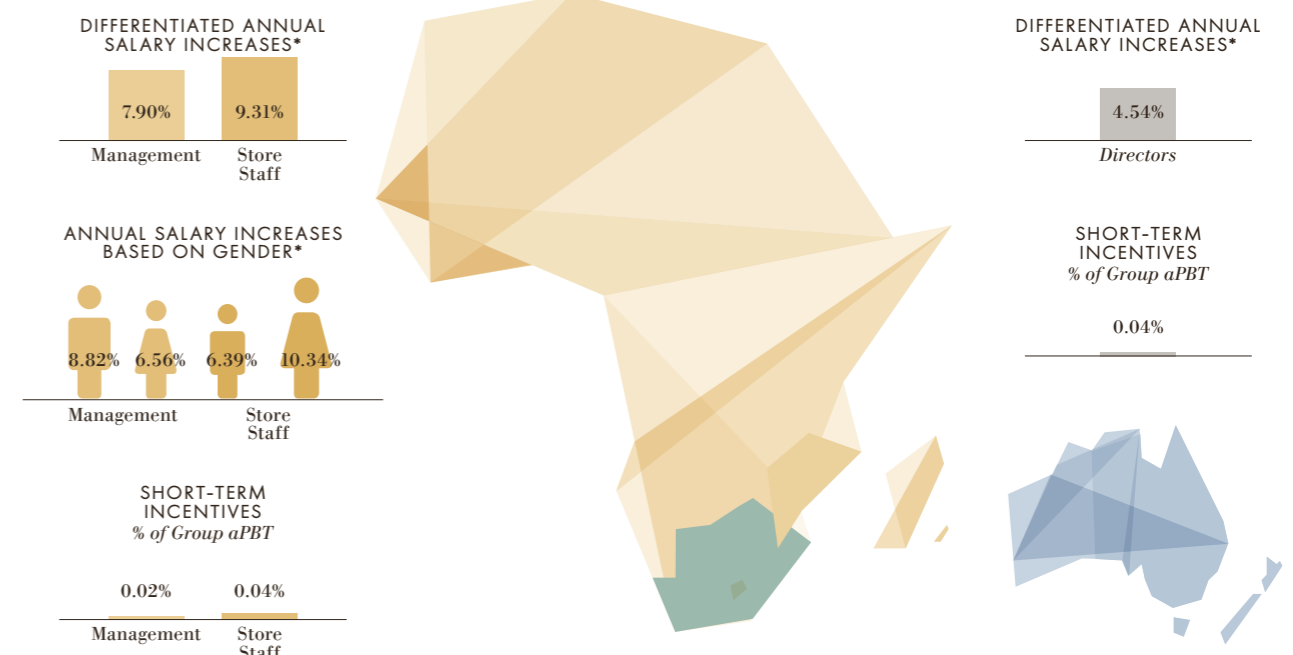
FAIR AND RESPONSIBLE PAY BAROMETER

SOUTH AFRICA



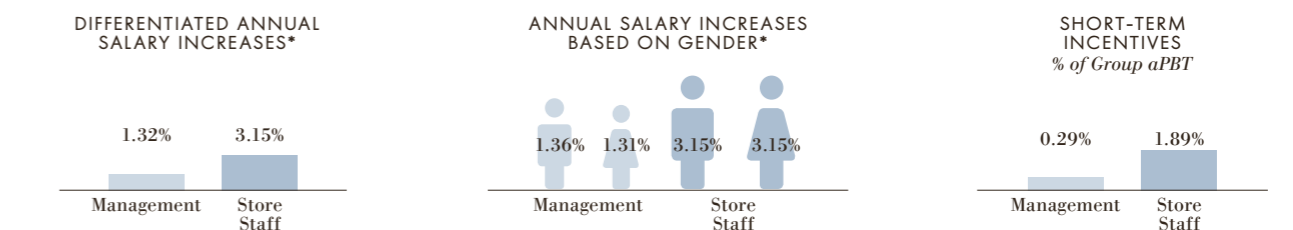
MINIMUM WAGE Store staff: 5% above legislative minimums (sectoral)

REST OF AFRICA



MINIMUM WAGE Store staff: on or above legislative minimums

AUSTRALIA AND NEW ZEALAND



MINIMUM WAGE Store staff: on or above legislative minimums

PERMANENT EMPLOYEES * % increase effective 1 October 2018

SHORT-TERM INCENTIVES (STI)

The framework and mechanics of the STI scheme explained below were applied to all employees in the Group.

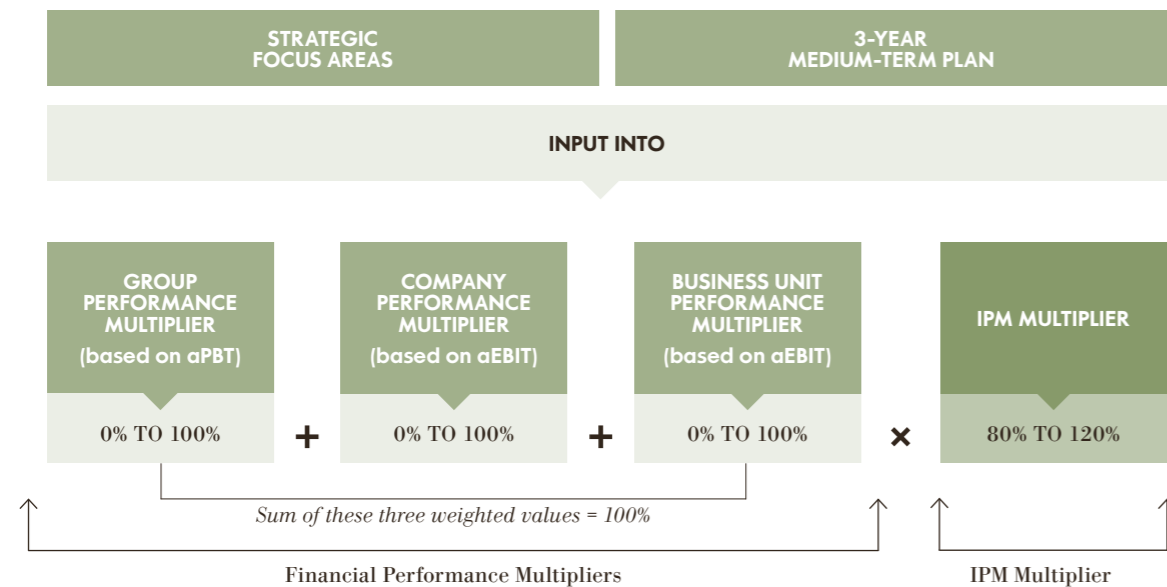
The high-level design of the STI scheme is as follows:

- incentives are calculated at a business unit level taking into account the scheme design and parameters
- a principle of budgeted pre-incentive profit is used across all business units as the trigger for on-target incentives
- a gatekeeper of 93% of company aEBIT for threshold bonuses is built into the scheme

The STI is calculated as follows:

- Group CEO: 100% based on Group performance
- Group COO and Group FD: 100% based on Group performance
- Executive directors and execs:
 - 50% – 75% based on Group performance, with remaining
 - 50% – 25% based on company and/or specific business area performance

Individual performance scores (IPM) and specific company aEBIT performance are multipliers for the final payments. Business unit modifiers are applicable for employees at levels below execs.



The financial performance targets are determined annually in advance.

PERFORMANCE FOR THE PERIOD

On an audited 53-week basis, the Group achieved aPBT of R4.9 billion. The performance conditions for the short-term performance bonus were tested to determine if the minimum incentive trigger had been achieved. The gatekeeper for any entity to pay a Corporate STI is the achievement of >93% of aPBT or aEBIT. Only the WSA trigger has been met and bonuses for the 2019 financial year will be paid to any STI participant of WSA. The FY2019 bonus pool for WSA was reduced by 50% to align it with budget expectations.

The analysis of the STI calculations for the Group CEO and executive directors based on Group, company, and individual performance is shown in the table below and on the following pages.

		FINANCIAL PERFORMANCE TARGETS					
		Threshold	On target	Stretch target	Achieved	% achievement	Resultant vesting
Group aPBT	PBT adjusted for impairment of David Jones assets, relocation costs (net of grants received) and store exit costs, net onerous lease provisions raised and unrealised foreign exchange losses incurred/reversed	R4 863m	R5 228m	> R5 228m	R4 858m	92.9%	0%
WSA aEBIT	EBIT adjusted for unrealised foreign exchange losses incurred/reversed	R4 063m	R4 369m	> R4 369m	R4 466m	102.2%	100%
DJ aEBIT	EBIT adjusted for impairment of assets, relocation costs (net of grants received) and restructure costs and net onerous lease provisions raised	A\$85.1m	A\$91.5m	> A\$91.5m	A\$36.9m	40.3%	0%
CRC aEBIT	EBIT adjusted for store exit costs	A\$109.6m	A\$117.9m	> A\$117.9m	A\$108.8m	92.2%	0%

		LINEAR VESTING OF FINANCIAL PERFORMANCE ACHIEVEMENT							
% achievement of financial performance		<=93%	94%	95%	96%	97%	98%	99%	100%
		DJ CRG WHL							WSA
Group/Company performance multiplier		0%	14.3%	28.6%	42.9%	57.1%	71.4%	85.7%	100%

LONG-TERM INCENTIVES

ALLOCATIONS DURING 2019

The annual rolling allocations for the Group CEO and executive directors for components of LTI were approved by the Remuneration Committee during the 2019 financial year and are shown opposite.

LTI allocations to executive directors and execs were made in line with the percentage allocations described in the Remuneration Policy table on page 166.

	PSP AWARDS			RSP AWARDS		
	BASIS	NUMBER	FACE VALUE R'000	BASIS	NUMBER	FACE VALUE R'000
Ian Moir				150% of GP	525 265	28 500
Reeza Isaacs	100% of GP	115 248	5 888			
Sam Ngumeni	100% of GP	131 680	6 727			
Zyda Rylands	100% of GP	157 566	8 050			
Total		404 494	20 665		525 265	28 500

WEIGHTINGS AND PERFORMANCE CONDITIONS

WEIGHTING	THRESHOLD (30% VESTING)	ON TARGET (100% VESTING)
50%	HEPS growth > weighted (SA+Aus) CPI	HEPS growth > weighted (SA+Aus) CPI +5% yoy
30%	ROCE > WACC +2%	ROCE > WACC +4%
20%	Net debt to EBITDA ratio =1	Net debt to EBITDA ratio < 0.88

ONCE-OFF ALLOCATIONS

The committee recognised the roles that the executive directors and other key individuals perform in ensuring that the Group delivers sustainable returns for shareholders and the delivery of the long-term strategy. Against this context, restricted shares, with a total value of R56m were awarded to the Group Finance Director, Chief Operating Officer and CEO of Woolworths SA.

The basis of allocation for and the resultant RSP awards given to the executive directors are shown opposite. These RSP awards have a five-year vesting period, with three tranches of: 25% in year 3, 25% in year 4 and 50% in year 5.

	RSP AWARDS		
	BASIS	NUMBER	FACE VALUE R'000
Reeza Isaacs	200% of GP	217 036	11 776
Sam Ngumeni	300% of GP	371 971	20 182
Zyda Rylands	300% of GP	445 093	24 150
Total		1 034 100	56 108

PERFORMANCE CONDITIONS

Awards are conditional on the achievement of directors' individual objectives and targets which are directly linked to the six strategic focus areas and financial measures in the Group's MTP as depicted alongside:



STRATEGIC FOCUS AREAS

+



MEDIUM-TERM PLAN

INDIVIDUAL DIRECTOR PERFORMANCE MEASUREMENT

VESTING OF LTI ALLOCATIONS RELATING TO THE PERFORMANCE FOR THE 2019 FINANCIAL YEAR

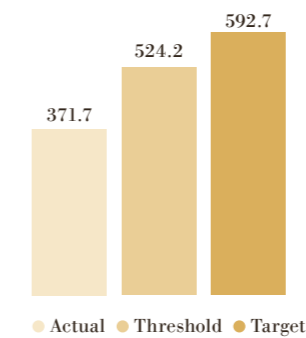
The performance conditions of the PSP August 2016 allocations were tested to determine if vesting had been achieved.

The performance conditions are:

- 50% based on HEPS growth of CPI plus 5% per annum
- 20% based on 3-year average ROCE percentage achievement against targets from MTP
- 30% based on TSR performance compared to the peer group TSR performance

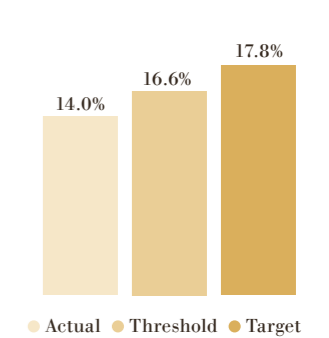
HEPS PERFORMANCE

This graph shows the target HEPS required for the full vesting of this performance condition. Adjusted HEPS achieved was 371.7 cps, significantly below the target HEPS of 524.2 cps and the threshold HEPS of 592.7 cps. The HEPS performance condition has not been met, therefore vesting is 0%.



ROCE PERFORMANCE

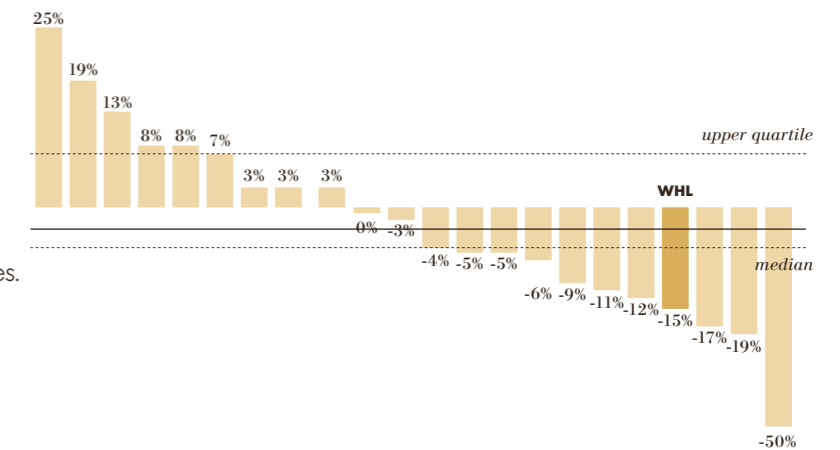
This graph shows the target ROCE required for full vesting for this performance condition. Actual ROCE achieved was 14.0%, impacted by the poor trading performance experienced by the Group. The achieved ROCE is below the threshold of 16.6% and on-target goal of 17.8%, therefore vesting is 0%.



TSR PERFORMANCE (EXTERNALLY INDEPENDENTLY CALCULATED)

This graph compares the TSR performance of the company to the TSR index of the peer group at the median and upper quartiles. The companies included in the peer group are: Astral Foods, Clicks, Shoprite, Tiger Brands, AVI, Tongaat Hulett, Foschini Group, Pioneer Foods, Tsogo Sun, Massmart, Italtile, Sun International, Pick n Pay, Distell, Mr Price, Truworths, Oceana, Nampak, Spar, Life Healthcare, and Lewis Stores. The calculation of TSR is performed by an independent external service provider.

Actual TSR performance for WHL declined by 15%, below the median of the peer group performance. As a result, the TSR performance condition has not been met, therefore vesting is 0%.



SINGLE-FIGURE REMUNERATION DISCLOSURE

No amounts are included in single-figure remuneration as the performance conditions for the PSP allocations (executive directors) and RSP allocation (Group CEO) vesting in 2019 were not met.

USEFUL LINKS: FOR MORE DETAIL

[Single-figure Remuneration](#)

[Participation in Share Schemes](#)

LONG-TERM INCENTIVES (CONTINUED)

UTILISATION OF SHARES HELD BY WOOLWORTHS HOLDINGS SHARE TRUST

In line with the JSE requirements, an analysis of the shares utilised for the purposes of LTI is shown in the table below.

	JSE Sch 14 share schemes only	2019 RSP scheme shares
Maximum available for utilisation	85 000 000	n/a
Previous years' net utilisation	68 749 362	
Available for utilisation at 1 July 2018*	16 250 638	
Allocations made to participants during the year	(5 244 507)	4 491 788
Exercised	115 653	
Forfeited	4 202 619	(533 495)
Available for utilisation at 30 June 2019*	15 324 403	

*includes RSP scheme shares prior to 1 July 2018

SINGLE-FIGURE REMUNERATION FOR YEAR ENDED 30 JUNE 2019 (AUDITED)

The Group discloses the single-figure remuneration paid to executive directors of Woolworths Holdings Limited in connection with the affairs of the Company and its subsidiaries during the year ended 30 June 2019 and comparatives for 24 June 2018.

The intention of single-figure remuneration is to disclose the remuneration earned and/or accrued by directors based on the performance of the current year, the vesting of shares with non-financial performance conditions, and any income attributable to unvested long-term share schemes.

Notes	GUARANTEED PAY			SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES		SINGLE-FIGURE REMUNERATION
	Base salary R'000	Benefits (1) R'000	Total guaranteed pay (2) R'000	Performance bonus (3) R'000	Fair value of shares (4) R'000	Dividends received (5) R'000	Total remuneration R'000
2019							
Ian Moir	18 907	142	19 049	-	-	3 992	23 041
Reeza Isaacs	5 800	421	6 221	-	-	578	6 799
Sam Ngumeni	6 876	453	7 329	-	-	936	8 265
Zyda Rylands	8 274	465	8 739	2 107	-	1 120	11 967
	39 857	1 481	41 338	2 107	-	6 626	50 071
2018							
Ian Moir	18 915	139	19 054	-	6 996	4 504	30 555
Reeza Isaacs	5 378	387	5 765	-	-	199	5 964
Sam Ngumeni	6 168	449	6 617	-	-	141	6 758
Zyda Rylands	7 430	412	7 842	-	-	168	8 009
	37 891	1 387	39 278	-	6 996	5 012	51 286
AUSTRALIA-BASED (AMOUNTS EXPRESSED IN A\$'000)							
John Dixon (6)	1 717	205	1 922	-	-	-	1 922

NOTES

- Benefits include retirement, healthcare, related benefits, long-service awards and discounts received on purchases made in WHL Group stores.
- Guaranteed pay and other benefits: actual payments made in the financial year.
- Short-term incentives: amounts accrued in the financial year relating to the financial performance against target for the year.
- Fair value of shares: value of vesting of performance conditions based on the three-year period FY2016 – FY2018. Valued using the 30-day VWAP share price of WHL at 30 June 2019 of R47.44 (2018: R56.84).
- Dividends received during the financial year on unvested RSP shares held during the year.
- John Dixon resigned as an Executive Director on 21 May 2018; his remuneration is disclosed for the full year in A\$. John was paid his notice period of 12 months' salary as per his employment agreement. This amount equates to A\$1.8m. He was entitled to a salary of A\$1.0 million until 31 December 2018 in terms of his employment agreement. The Company paid for costs incurred relocating him back to the UK.

DIRECTORS' PARTICIPATION IN SHARE SCHEMES

Shares purchased and options granted to executive directors in terms of the Woolworths Holdings Share Trust which had not been exercised at 30 June 2019 are set out below.

IAN MOIR																
SCHEME	Award date	Vesting date	Expiry date	As at 24 June 2018		Awarded		Forfeited		Sold or transferred			As at 30 June 2019			FAIR VALUE RANDB (2)
				NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	REALISATION VALUE (1) RANDB	VESTED	UNVESTED	TOTAL	
SARS	25 Aug 2011	28 Aug 2014	25 Aug 2018	87 468	27.89					87 468	53.30	2 222 562			-	
	23 Aug 2012	27 Aug 2015	26 Nov 2019	72 288	51.48								72 288		72 288	
	29 Aug 2013	29 Aug 2016	29 Aug 2020	103 755	56.06								103 755		103 755	
Total				263 511						87 468		2 222 562	176 043		176 043	
RSP	05 Jan 2015	16 Feb 2018	16 Feb 2018	106 500	92.14			106 500							-	
	27 Aug 2015	27 Aug 2018	27 Aug 2018	186 126	96.71			186 126							-	
	25 Aug 2016	26 Aug 2019	26 Aug 2019	318 442	84.79								318 442		318 442	-
	24 Aug 2017	24 Aug 2020	24 Aug 2020	475 118	59.99								475 118		475 118	11 269 799
	24 Aug 2017	24 Aug 2020	24 Aug 2020	475 117	59.99								475 117		475 117	11 269 775
	23 Aug 2018	23 Aug 2021	23 Aug 2021			525 265	54.26						525 265		525 265	12 459 286
Total				1 561 303		525 265		292 626						1 793 942	1 793 942	34 998 860
Total				1 824 814		525 265		292 626		87 468		2 222 562	176 043	1 793 942	1 969 985	34 998 860

REEZA ISAACS																
SCHEME	Award date	Vesting date	Expiry date	As at 24 June 2018		Awarded		Forfeited		Sold or transferred			As at 30 June 2019			FAIR VALUE RANDB (2)
				NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	REALISATION VALUE (1) RANDB	VESTED	UNVESTED	TOTAL	
RSP	01 Jun 2013	24 Aug 2018	24 Aug 2018	26 210	73.92					26 210	50.09	1 312 851			-	
	24 Aug 2017	24 Aug 2020	25 Aug 2020	42 678	59.99									42 678	42 678	2 024 644
	23 Aug 2018	23 Aug 2021	23 Aug 2023			217 036	54.26							217 036	217 036	10 296 188
Total				68 888		217 036				26 210		1 312 851	259 714	259 714	12 320 832	
PSP	27 Aug 2015	27 Aug 2018	27 Aug 2018	37 581	96.70			37 581							-	
	11 Feb 2016	11 Feb 2019	11 Feb 2019	9 990	93.69			9 990							-	
	25 Aug 2016	26 Aug 2019	26 Aug 2019	55 498	87.86								55 498		55 498	-
	24 Aug 2017	24 Aug 2020	24 Aug 2020	78 014	65.63								78 014		78 014	1 850 492
	23 Aug 2018	23 Aug 2021	23 Aug 2021			115 248	51.09						115 248		115 248	2 733 683
Total				181 083		115 248		47 571					248 760	248 760	4 584 175	
Total				249 971		332 284		47 571		26 210		1 312 851	508 474	508 474	16 905 007	

NOTES

1. Realisation value based on taxable benefit at date of sale or transfer.
2. Fair value calculated based on 30-day VWAP at 30 June 2019 of R47.44 and 50% vesting probability for unvested PSP awards, and 100% vesting for RSP awards.

DIRECTORS' PARTICIPATION IN SHARE SCHEMES (CONTINUED)

SAM NGUMENI																
SCHEME	Award date	Vesting date	Expiry date	As at 24 June 2018		Awarded		Forfeited		Sold or transferred			As at 30 June 2019			
				NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	REALISATION VALUE (1) RANDB	VESTED	UNVESTED	TOTAL	FAIR VALUE RANDB (2)
RSP	24 Aug 2017	24 Aug 2020	24 Aug 2020	48 762	59.99									48 762	48 762	2 313 269
	23 Aug 2018	23 Aug 2021	23 Aug 2023			371 971	54.26							371 971	371 971	17 646 304
Total				48 762		371 971								420 733	420 733	19 959 574
PSP	27 Aug 2015	27 Aug 2018	27 Aug 2018	40 848	96.70			40 848								-
	11 Feb 2016	11 Feb 2019	11 Feb 2019	10 858	93.69			10 858								-
	25 Aug 2016	26 Aug 2019	26 Aug 2019	60 324	87.86									60 324	60 324	-
	24 Aug 2017	24 Aug 2020	24 Aug 2020	89 137	65.63									89 137	89 137	2 114 330
	23 Aug 2018	23 Aug 2021	23 Aug 2021			131 680	51.09							131 680	131 680	3 123 450
Total				201 167		131 680		51 706						281 141	281 141	5 237 780
Total				249 929		503 651		51 706						701 874	701 874	25 195 354

ZYDA RYLANDS																
SCHEME	Award date	Vesting date	Expiry date	As at 24 June 2018		Awarded		Forfeited		Sold or transferred			As at 30 June 2019			
				NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	NUMBER	PRICE RANDB	REALISATION VALUE (1) RANDB	VESTED	UNVESTED	TOTAL	FAIR VALUE RANDB (2)
SARS	23 Aug 2012	27 Aug 2015	26 Nov 2019	38 304	51.48									38 304	38 304	
	29 Aug 2013	29 Aug 2016	29 Aug 2020	40 790	56.06									40 790	40 790	
Total				79 094										79 094	79 094	
RSP	24 Aug 2017	24 Aug 2020	24 Aug 2020	58 348	59.99										58 348	2 768 029
	23 Aug 2018	23 Aug 2021	23 Aug 2023			445 093	54.26							445 093	445 093	21 115 212
Total				58 348		445 093								503 441	503 441	23 883 241
PSP	27 Aug 2015	27 Aug 2018	27 Aug 2018	105 073	96.70			105 073								-
	25 Aug 2016	26 Aug 2019	26 Aug 2019	73 982	87.86									73 982	73 982	
	24 Aug 2017	24 Aug 2020	24 Aug 2020	106 659	65.63									106 659	106 659	2 529 951
	23 Aug 2018	23 Aug 2021	23 Aug 2021			157 566	51.09							157 566	157 566	3 737 466
Total				285 714		157 566		105 073						338 207	338 207	6 267 417
Total				423 156		602 659		105 073						79 094	841 648	920 742

NOTES

1. Realisation value based on taxable benefit at date of sale or transfer.
2. Fair value calculated based on 30-day VWAP at 30 June 2019 of R47.44 and 50% vesting probability for unvested PSP awards, and 100% vesting for RSP awards.

NON-EXECUTIVE DIRECTORS' FEES AND EMOLUMENTS (AUDITED)

Emoluments paid to non-executive directors of Woolworths Holdings Limited in connection with the affairs of the Company and its subsidiaries during the year ended 30 June 2019 and comparatives for 24 June 2018 are set out below.

2019

NON-EXECUTIVE DIRECTORS

Notes	Directors' fees R'000	Audit Committee member R'000	Nominations Committee member R'000	Remuneration Committee member R'000	Risk & Compliance Committee member R'000	Social and Ethics Committee member R'000	Sustainability Committee member R'000	Treasury Committee member R'000	Benefits (1) R'000	Total non-executive directors' remuneration R'000
Simon Susman (2)	1 728	-	111	122	122	111	189	-	310	2 693
Hubert Brody (3)	1 546	345	56	61	122	56	56	45	279	2 566
Patrick Allaway (4)	2 149	115	-	74	74	-	-	27	4	2 443
Zarina Bassa (5)	1 210	189	111	122	234	-	-	22	239	2 127
Tom Boardman	663	-	178	234	122	111	111	-	153	1 572
Andrew Higginson (6)	1 403	189	56	122	122	-	-	-	9	1 901
Gail Kelly (7)	982	-	68	74	74	-	68	-	7	1 273
David Kneale (8)	124	-	34	38	38	-	-	-	4	238
Nombulelo Moholi	401	-	-	122	122	189	111	-	170	1 115
Sizakele Mzimela (9)	138	-	-	-	42	-	-	-	38	218
Thembisa Skweyiya (10)	124	59	-	-	38	-	-	-	32	253
	10 468	897	614	969	1 110	467	535	94	1 245	16 399

NOTES

- Benefits include discounts received on purchases made in WHL Group stores. Any VAT charged by directors on their directors' and committee fees is also included.
- Simon Susman receives post-retirement healthcare by virtue of him previously holding the role of Group CEO and retiring from that position. Benefits of R310 461 (2018: R166 970) include the following:
 - post-retirement healthcare benefit of R39 858 (2018: R28 416);
 - discounts received on purchases made in WHL Group stores of R55 971 (2018: R42 574);
 - VAT R214 632 (2018: R95 980).
- Hubert Brody's director's fees earned include fees as the Chairman of Woolworths Audit Review Panel of R322 547 (2018: R315 788). He was appointed Deputy Chairman on 12 November 2018 and appointed to the Nominations, Remuneration, Social and Ethics and Sustainability Committees in February 2019. He was paid R865 404 for the additional hours he worked as Deputy Chairman during the year.
- Patrick Allaway resigned from the Board on 8 February 2019. His director's fees were paid in Australian Dollars as an Australian resident. He was appointed to the Treasury Committee from 1 July 2018. He was paid R160 260 for additional hours he worked in respect of overseeing the FY2018 David Jones impairment. Director's fees earned include fees as a non-executive director for David Jones and Country Road Group of A\$99 166 (2018: A\$150 000).

2018

NON-EXECUTIVE DIRECTORS

Notes	Directors' fees R'000	Audit Committee member R'000	Remuneration Committee member R'000	Risk and Compliance Committee member R'000	Nominations Committee member R'000	Sustainability Committee member R'000	Social and Ethics Committee member R'000	Benefits (1) R'000	Total non-executive directors' remuneration R'000
Simon Susman (2)	1 657	-	119	119	108	108	108	167	2 386
Hubert Brody (3)	700	335	-	119	-	-	-	78	1 232
Patrick Allaway (4)	3 041	184	119	119	-	-	-	3	3 466
Peter Bacon (11)	150	89	58	-	-	-	-	9	306
Zarina Bassa (5)	1 164	184	119	227	108	-	-	107	1 909
Tom Boardman	644	-	227	-	173	108	108	75	1 335
Andrew Higginson (6)	1 274	184	119	119	-	-	-	57	1 753
Gail Kelly (7)	1 741	-	119	119	108	108	-	62	2 257
Nombulelo Moholi	384	-	119	119	-	108	184	82	996
Stuart Rose (12)	1 146	-	119	119	108	184	-	53	1 729
	11 901	976	1 118	1 060	605	616	400	693	17 369

- Zarina Bassa's director's fees earned include fees as a non-executive director of Woolworths South Africa of R931 103 (2018: R780 202). She was appointed to the Treasury Committee in February 2019.
- Andrew Higginson's director's fees are paid in Sterling as a British resident. He was appointed to the Nominations Committee in February 2019.
- Gail Kelly resigned from the Board on 8 February 2019. Her director's fees were paid in Australian Dollars as an Australian resident. Director's fees earned include fees as a non-executive director for David Jones and Country Road Group of A\$ nil (2018: A\$19 327).
- David Kneale was appointed to the Board on 11 March 2019. On his appointment to the Board, David was appointed to the Nominations, Remuneration, and Risk and Compliance Committees.
- Sizakele Mzimela was appointed to the Board on 1 July 2018 and resigned from the Board on 5 November 2018. During her tenure she was a member of the Risk and Compliance Committee.
- Thembisa Skweyiya was appointed to the Board on 11 March 2019. On her appointment to the Board, Thembisa was appointed to the Audit and Risk and Compliance Committees.
- Peter Bacon retired from the Board on 28 November 2017.
- Stuart Rose resigned from the Board on 28 May 2018. His director's fees were paid in Sterling as a British resident.

GLOSSARY



ABBREVIATIONS USED IN THIS INTEGRATED ANNUAL REPORT

12mma: 12-month moving average; Used to refer to average market share over a rolling 12-month period

A

aPBT: Adjusted profit before taxation

aEBIT: Adjusted earnings before interest and taxation

AGM: Annual General Meeting; Annual shareholder meeting held in terms of the Companies Act

B

BBBEE: Broad-Based Black Economic Empowerment; Legislation which aims to increase the participation of the majority of South Africans in the economy. Aims to redress the inequalities experienced under apartheid

BPS: Basis points

C

CEO: Chief Executive Officer

COO: Chief Operating Officer

CPI: Consumer Price Index

CPS: Cents per share

CRG: Country Road Group; wholly owned trading subsidiary of WHL based mainly in Australia. Owns the Country Road, Trenery, Witchery, Mimco and Politix brands

CSI/SD: Corporate Social Investment; Component of the BBBEE scorecard which encourages support of charitable and non-profit organisations

CTS: Cost to sell; Expenses expressed as a percentage of turnover

D

DC: Distribution Centre; The food and Fashion, Beauty and Home distribution centres

DJ: David Jones Proprietary Limited; Wholly owned, trading subsidiary of WHL based mainly in Australia

dti: Department of Trade and Industry

E

EBITDA: Earnings before interest, taxation, depreciation and amortisation

EPS: Earnings per share; Profit earned for the period divided by the weighted average number of shares in issue

F

FBH: Fashion, Beauty and Home; An operating segment in Woolworths South Africa which aggregates clothing, footwear, accessories, homeware, beauty and cell phone product buying groups

FD: Group Finance Director

FTE: Full-time equivalent; Number of hours worked by store staff equated back to a person working a 40-hour week

FY: Financial Year

G

GBJ: Good Business Journey; Woolworths Holdings Limited's programme to assist it in achieving its vision of becoming one of the world's most responsible retailers by managing the environmental, social and transformational activities of the Group

GP: Guaranteed Pay; Annual salary and benefits paid to employees

GRC: Governance, Risk and Compliance; Business unit which provides governance, risk, legal and compliance solutions to the business and the Board

H

HEPS: Headline earnings per share; Key measurement of normalised profit per share in South Africa

HDSA: Historically disadvantaged South Africans

I

IPM: Integrated Performance Management; Performance appraisal mechanism to measure employees' achievement against performance goals and behaviours

J

JAWS: JAWS ratio; The percentage increase in sales ahead of increase in expenses

JSE: Johannesburg Stock Exchange; Stock exchange in South Africa on which the company is listed

K

KPI: Key Performance Indicator; Measurable value of performance against target which demonstrates how effectively the Group is achieving its key business objectives

L

LFL: Like for like; Used to compare sales in comparable stores i.e., those stores that are not new and have not had any extension or modernisation to them. Calculated on a 24-month period

LID: Lead Independent Director

LTi: Long-term incentive; Variable remuneration subject to the achievement of performance conditions. Generally a 3-year period

LTIP: Long-term incentive plan; Share scheme instrument allocated to employees in terms of long-term incentive scheme

LTO: Labour turnover; Percentage of employees leaving the business over a defined period

M

MTP: Medium Term Plan; 3-year financial strategic plan

R

ROCE: Return on Capital Employed

ROE: Return on Equity

ROS: Return on sales; Profit after tax expressed as a percentage of turnover

RSP: Restricted share plan; Share scheme instrument allocated to employees in terms of retention scheme

S

SARS: Share appreciation right scheme; Share scheme instrument allocated to employees in terms of long-term incentive scheme

SEC: Social and Ethics Committee; A statutory committee in terms of the South African Companies Act which ensures that a company conducts business in a sound and ethical manner

SRI: Socially Responsibility Index; An index created by the JSE to measure the social responsibility criteria of companies listed on the JSE. The South African equivalent of the Dow Jones Index

STI: Short-term incentive; Variable remuneration subject to the achievement of performance conditions. Generally a 1-year period

T

TCoE: Total cost of employment; Total salary and benefits of employees

V

VP: Variable pay; Remuneration that varies according to the achievement or not of performance conditions

W

WACC: Weighted average cost of capital

WFS: Woolworths Financial Services (Pty) Limited; A joint venture between Woolworths and Barclays Africa Group that supports the Woolworths retail business by providing financial services to Woolworths' customers through in-store cards, credit cards and personal loans

WHL: Woolworths Holdings Limited; Southern hemisphere retail Group that has been listed on the Johannesburg Stock Exchange Limited (JSE) since 1997. The Group trades through three operating subsidiaries, including Woolworths Proprietary Limited (Woolworths or WSA), Country Road Group Proprietary Limited (Country Road Group or CRG), and David Jones Proprietary Limited (David Jones or DJ). Woolworths Financial Services Proprietary Limited (WFS) is a joint venture with Barclays Africa Group, which holds the controlling interest

WHST: Woolworths Holdings Share Trust; The Trust through which the shares allocated for the long-term incentive schemes are managed

WSA: Woolworths/Woolworths SA; A wholly owned trading subsidiary of WHL, mainly based in South Africa

Y

YES: Youth Employment Service; A CEO-led government initiative launched by President Cyril Ramaphosa aimed at providing one million youth with work experience and helping them gain valuable skills

To find out more about what
we're doing, visit

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Please contact InvestorRelations@woolworths.co.za
