Notice of annual general meeting

Pick n Pay Stores Limited

The 41st annual general meeting ("AGM") of shareholders of Pick n Pay Stores Limited ("the Company") for the year ended 28 February 2009 will be held at 09h30 on Friday, 12 June 2009. To ensure that registration procedures are completed by 09h30, please register for the AGM from 09h00.

The venue will be the conference centre at the registered office, Pick n Pay Office Park, 101 Rosmead Avenue, Kenilworth, Cape Town, 7708.

The following business will be transacted and resolutions proposed, with or without amendment:

1. ORDINARY RESOLUTION NUMBER 1

Approval of annual financial statements

"Resolved that the annual financial statements of the Company and its subsidiaries, for the year ended 28 February 2009, are hereby adopted."

2. ORDINARY RESOLUTION NUMBER 2

Appointment of auditors

"Resolved that KPMG Inc. are hereby reappointed as the auditors of the Company for the ensuing year."

Note that the Audit, Risk and Compliance committee have recommended the reappointment of KPMG Inc. as auditors of the Company.

3. ORDINARY RESOLUTION NUMBER 3

Reappointment of directors

Raymond David Ackerman, Dennis Gershon Cope, David Robins and Benedict James van der Ross retire in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election. Curricula vitae of those directors standing for re-election are presented on pages 12 to 14.

Accordingly, to consider and, if deemed fit, to re-elect those directors by way of passing the separate ordinary resolutions set out below:

Ordinary resolution number 3.1

Appointment of Raymond David Ackerman as director

"Resolved that Raymond David Ackerman be and is hereby elected as a director of the Company."

Ordinary resolution number 3.2

Appointment of Dennis Gershon Cope as director

"Resolved that Dennis Gershon Cope be and is hereby elected as a director of the Company."

Ordinary resolution number 3.3

Appointment of David Robins as director

"Resolved that David Robins be and is hereby elected as a director of the Company."

Ordinary resolution number 3.4

Appointment of Benedict James van der Ross as director

"Resolved that Benedict James van der Ross be and is hereby elected as a director of the Company."

4. ORDINARY RESOLUTION NUMBER 4

Directors' housing loans for the year ended 28 February 2009

"Resolved that housing loans granted to the Company's directors for the year ended 28 February 2009, as set out in the financial statements accompanying this notice of annual general meeting, are hereby approved and ratified insofar as may be necessary."

5. ORDINARY RESOLUTION NUMBER 5

Directors' fees for the year ending 28 February 2010

"Resolved that the directors' fees for the year ending 28 February 2010 be as follows:

- Executive directors, unchanged at R1 500.
- Lead non-executive director, increased by R8 000 to R88 000.
- Non-executive directors, increased by R25 000 to R265 000.
- Chairman of the Audit, Risk and Compliance committee, increased by R20 000 to R220 000.
- Chairman of the Remuneration committee, increased by R10 000 to R110 000.
- Member of the Audit, Risk and Compliance committee, increased by R8 000 to R88 000.
- Member of the Remuneration committee, increased by R5 000 to R55 000.
- Member of the Nominations committee, unchanged at R50 000."

6. SPECIAL RESOLUTION NUMBER 1

General approval to repurchase Company shares

"Resolved that the Company hereby approves, as a general approval contemplated in sections 85 and 89 of the Companies Act 61 of 1973 (as amended) ("the Companies Act"), the acquisition by the Company or any of its subsidiaries from time to time of the issued shares of the Company or its holding company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the Articles of Association of the Company, the provisions of the Companies Act and the JSE Limited ("JSE") Listings Requirements ("JSE Listings Requirements") as presently constituted and which may be amended from time to time, and provided that acquisitions by the Company and its subsidiaries, of shares in the capital of the Company or its holding company may not, in the aggregate, exceed in any one financial year 10% (ten percent) of the Company's issued share capital of the class of repurchased shares from the date of the grant of this general approval.

Additional requirements imposed by the JSE Listings Requirements

It is recorded that the Company may only make a general acquisition of shares if the following JSE Listings Requirements are met:

a. any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty or other manner approved by the JSE;

b. the general approval shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;

c. a paid press announcement will be published as soon as the Company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis, 3% (three percent) of the number of shares of the class of shares acquired in issue at the time of granting of this general approval and for each 3% (three percent) in aggregate of the initial number of that class of shares acquired thereafter, which announcement shall contain full details of such acquisitions as required by rule 11.27 of the JSE Listing Requirements;

d. in determining the price at which the Company's shares are acquired by the Company or its subsidiaries in terms of this general approval, the maximum price at which such shares may be acquired may not be greater than 10% (ten percent) above the weighted average of the market value at which such shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of the acquisition of such shares by the Company or its subsidiaries;

e. in the case of a derivative (as contemplated in the JSE Listings Requirements), the price of the derivative shall be subject to the limitations set out in section 5.84(a) of the JSE Listings Requirements; and

f. the Company and/or its subsidiaries may not repurchase any shares during a prohibited period, as defined in the JSE Listings Requirements, unless the Company and/or its subsidiaries has in place a repurchase programme where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period.

Statement by the Board of directors of the Company

Pursuant to, and in terms of, the JSE Listings Requirements the Board of directors of the Company hereby state that:

a. the intention of the directors of the Company is to utilise the general approval to repurchase shares in the capital of the Company if at some future date the cash resources of the Company are in excess of its requirements or there are other good grounds for doing so. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company and the interests of the Company;

b. in determining the method by which the Company intends to repurchase its securities, the maximum number of securities to be repurchased and the date on which such repurchase will take place, the directors of the Company will only make repurchases if at the time of the repurchase they are of the opinion that:

b.1 the Company and its subsidiaries will, after the repurchase, be able to pay their debts as they become due in the ordinary course of business for the 12- (twelve) month period following the date of this notice of the annual general meeting;

b.2 the consolidated assets of the Company and its subsidiaries, fairly valued and recognised and measured in accordance with the accounting policies used in the latest audited financial statements, will, after the repurchase, be in excess of the consolidated liabilities

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of the Company and its subsidiaries for the 12- (twelve) month period following the date of this notice of the annual general meeting;

b.3 the issued share capital and reserves of the Company and its subsidiaries will, after the repurchase, be adequate for the ordinary business purposes of the Company and its subsidiaries for the 12- (twelve) month period following the date of this notice of the annual general meeting; and

b.4 the working capital available to the Company and its subsidiaries will, after the repurchase, be adequate for the ordinary business requirements of the Company and its subsidiaries for the 12- (twelve) month period following the date of this notice of the annual general meeting.

Reason for and effect of special resolution number 1

The reason for special resolution number 1 is to grant the Company a general authority in terms of the Companies Act for the acquisition by the Company or any of its subsidiaries of shares issued by the Company or its holding company, which authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire shares issued by the Company or its holding company.

7. ORDINARY RESOLUTION NUMBER 6

General authority over unissued shares

"Resolved that 25.3 million (5% of issued share capital) of the unissued authorised ordinary shares in the Company (which for the purposes of the JSE Listings Requirements and these resolutions shall include treasury shares) and, in addition, the 67.3 million unissued authorised ordinary shares specifically approved for issue in terms of the Company's share incentive schemes, be and are hereby placed under the control of the directors until the next annual general meeting, subject to the provisions of the Companies Act and the JSE Listings Requirements and the condition that no issue of these shares will be made if it could have the effect of changing control of the Company."

Except for the shares previously allocated to the Company's share incentive schemes, no issue of these shares is contemplated at the present time and no issue will be made that could effectively change the control of the Company without the prior approval of shareholders in a general meeting.

8. ORDINARY RESOLUTION NUMBER 7

General authority to issue shares or other equities for cash

"Resolved that, subject to not less than 75% (seventy-five percent) of the votes cast by those shareholders of the Company present in person or represented by proxy to vote at this annual general meeting voting in favour of this ordinary resolution, the directors of the Company be and are hereby authorised by way of a general authority to issue (which shall for the purposes of the JSE Listings Requirements include the sale of treasury shares) for cash (as contemplated in the JSE Listings Requirements) all or any of the authorised but unissued shares in the capital of the Company, including options, as and when they in their discretion deem fit, subject to the Companies Act, the articles of association of the Company and the JSE Listings Requirements as presently constituted and which may be amended from time to time and, provided that such issues for cash may not, in the aggregate, in any 1 (one) financial year, exceed 5% (five percent) of the number of shares of the relevant class of shares issued prior to such issue.

Additional requirements imposed by the JSE Listings Requirements

It is recorded that the Company may only make an issue of shares (as defined in the JSE Listings Requirements) for cash under the above general authority if the following JSE Listings Requirements are met:

a. the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;

b. the general authority shall only be valid until the Company's next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this ordinary resolution;

c. a paid press announcement will be published giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of

the issue was determined or agreed by the directors of the Company and the expected effect on the net asset value per share, net tangible asset value per share and earnings per share and headline earnings per share at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) of the number of shares in issue prior to the issue;

d. that issues in the aggregate in any 1 (one) financial year may not exceed 15% (fifteen percent) of the number of the shares of the Company in issue of that class of shares before such issue, taking into account the dilution effect of convertible equity securities and options in accordance with the JSE Listings Requirements;

e. in determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the Company; and

f. any issue will only be made to "public shareholders" as defined by the JSE Listings Requirements and not to related parties."

9. ORDINARY RESOLUTION NUMBER 8

Directors' authority to implement Company resolutions

"Resolved that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting."

10. TO TRANSACT SUCH OTHER BUSINESS THAT MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

GENERAL INSTRUCTIONS AND INFORMATION

The annual report to which this notice of this annual general meeting is attached provides details of:

- the directors and managers of the Company on pages 12 to 14 and 124 to 127;
- the major shareholders of the Company on page 46;
- the directors' shareholding in the Company on page 75;
- the share capital of the Company in note 19 on page 89; and
- an analysis of the shareholders on page 46.

There are no material changes to the Group's financial or trading position, nor are there any material, legal or arbitration proceedings (pending or threatened) that may affect the financial position of the Group between 28 February 2009 and the reporting date.

The directors, whose names are given on pages 12 to 14 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and this notice contains all information required by law and the JSE Listings Requirements.

All shareholders are encouraged to attend, speak and vote at the annual general meeting.

If you hold certificated shares (i.e. have not dematerialised your shares in the Company) or are registered as an own name dematerialised shareholder (i.e. have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name in the Company subregister) then:

- you may attend and vote at the annual general meeting; alternatively
- you may appoint a proxy to represent you at the annual general meeting by completing the attached form of proxy and returning it to the registered office of the Company or to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, the details of which are set out on page 47 of the annual report, by no later than 09h30 on Thursday, 11 June 2009, being 24 hours prior to the time appointed for the holding of the annual general meeting.

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Share Transactions Totally Electronic ("STRATE")) held through a CSDP or broker (or their nominee) and are not registered as an "own name dematerialised shareholder" then you are not a registered shareholder of the Company, but your CSDP or broker (or their nominee) would be.

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Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

- if you wish to attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be.

CSDP's, brokers or their nominees, as the case may be, recorded in the Company's subregister as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the registered office of the Company or to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, the details of which are set out on page 47 of the annual report, by no later than 09h30 on Thursday, 11 June 2009, being 24 hours prior to the time appointed for the holding of the annual general meeting.

By order of the board



G F Lea

Company Secretary

Cape Town

4 May 2009