

IT Divisional Board Mandate

1. Purpose

- 1.1. The IT Divisional Board (ITDB) oversees the information technology investment priorities for Mr Price Group. Members of the ITDB are appointed by the CEO and are accountable to the Main Board. The committee will:
 - 1.1.1. Provide strategic leadership for IT through the alignment of IT strategic objectives and activities with enterprise strategic objectives and processes;
 - 1.1.2. Prioritize IT investment initiatives and deliver final approvals and recommendations on proceeding with proposed IT projects; and
 - 1.1.3. Ensure open communication between the IT department and the other functional units of the Mr Price Group so as to promote collaborative planning.
- 1.2. The ITDB is not responsible in any way for the IT departments operating budget, IT department staff, or any other aspect of day-to-day IT operations.

2. Agenda

- 2.1. The agenda of a typical ITDB meeting will include the following items:
 - 2.1.1. Review strategic imperatives of the division and approve any suggested adjustments
 - 2.1.2. Review major projects in progress and discuss concerns – status, issues and risks;
 - 2.1.3. Review and approve, decline, or defer new project proposals;
 - 2.1.4. Review any changes in IT/business capacity;
 - 2.1.5. Review the project priority list to consider adjustments; and
 - 2.1.6. Review and approve the deployment of IT Investments across the Group.

3. Membership

- 3.1. Members of the ITDB include:
 - Stuart Bird – Chairman;
 - Mark Blair;
 - Antony Hlungwane – Vice-Chairman;
 - Steve Ellis; and
 - Trading Division M.D.'s as invitees.
- 3.2. All permanent members of the ITDB should be very familiar with the IT department's policies, procedures and practices.
- 3.3. If any member is unable to attend the majority of ITDB meetings, then the committee chair will designate a replacement. If the ITDB chair is unable to attend the majority of ITDB meetings, then the committee itself will designate a replacement.
- 3.4. By invitation, all divisional managing Directors and the internal audit executive will attend these meetings.
- 3.5. Ad hoc members, as required, who are experts of particular business processes or technologies, will be invited to attend the meetings.

4. Mandate

- 4.1. The ITDB will be chaired by the CEO.
- 4.2. The ITDB shall meet on a regular basis, at least 4 times per annum. These meetings will be scheduled by the ITDB chair or designated proxy.
- 4.3. Priorities are determined at annual strategy presentation and reviews, as well as at the ITDB meetings.
- 4.4. The ITDB must ensure that the IT strategy is updated on a regular basis and is aligned to the business strategy.
- 4.5. Proposals for new projects must follow a specific business case methodology as mandated by the ITDB. This methodology includes clear definitions of business measures and a cost/benefit analysis.
- 4.6. These proposals may be presented and discussed outside of the ITDB meetings, to the designated project user groups and designated project executives, but must be formally accepted and prioritized at the next ITDB meeting.

- 4.7. If the proposed project has not been budgeted for in the annual approved budget, then Main Board approval must be sought and obtained before such a project proceeds beyond the scope and objectives phase, which includes a description of the business solution, benefits and return on investment, as well as project costs.
- 4.8. Electronic copies of all proposals will be made available to the members of the ITDB prior to the meeting, on a Share Point Site, under documentation edition and version control, by the designated project manager, at least 7 working days in advance of the ITDB meeting.
- 4.9. All proposals must be reviewed and approved for technological merit and fit to the documented IT architectural strategy, by the IT department.
- 4.10. ITDB has the authority to reject any proposal which it deems not to have made a sufficient business case or which does not significantly contribute to the strategic goals of the Group.
- 4.11. At each meeting, the committee will receive progress reports on all previously approved proposals and current projects. The ITDB can recommend the termination of any project which is not meeting its projected goals.
- 4.12. Each year, the ITDB will provide the Board of Directors with a report that reviews project progress for the previous fiscal year and set a priority list of projects for the coming fiscal year.
- 4.13. To give due consideration to the principles of governance and the code of best practice as contained in the King Report on Corporate Governance for South Africa.
- 4.14. The ITDB is responsible for monitoring the execution of the IT governance arrangements as well as ensuring compliance to applicable laws, regulations, policies and standards.
- 4.15. To obtain independent assurance on IT governance and controls on outsourced IT service;
- 4.16. Ensure security standards, policies, and processes are embedded into the organization
- 4.17. Ratify the DR plan and test plan on an annual basis
- 4.18. Ensure that the enterprise architecture reflects all important requirements, including legal and regulatory compliance, ethics and business continuity.
- 4.19. Monitor service levels

5. Operation

- 5.1. Documentation formats for the business case methodology are contained in our software/solutions.
- 5.2. Development Life Cycle (SDLC) standards and complemented by our Change Request (CR) methodology.
- 5.3. Technological acronyms, which we use as sparingly as possible, but which are unavoidable in the technology market place, are defined in a Share Point site, which can be extracted and distributed as required.
- 5.4. Retail process acronyms, which we use in a specific manner within the Group, are defined in a Share Point site, which can be extracted and distributed as required.
- 5.5. All governance related documentation, such as the policies governing security and access control, technology standards, investment processes and others, have been audited and are kept in a Share Point site, which can be extracted and distributed as required.
- 5.6. Operation documentation for all business applications is kept in specific application directories.
- 5.7. Operational requirements for disaster recovery processes and business continuity processes are kept in s Share Point Site, which can be extracted and distributed as required.
- 5.8. Risk registers are maintained in the Group Risk Register.

6. Review

The Committee will review the mandate annually.

7. Approval of this Mandate

Approved this 8th day of November 2016.



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SI Bird

Chief Executive Officer
 Mr Price Group