

POLICY ON INTERACTION WITH EXTERNAL PARTIES

As a JSE listed company, Mr Price Group Limited is bound to comply with the provisions of the Financial Markets Act (No. 19 of 2012) (FMA) and the JSE Listings Requirements, particularly in relation to market abuse. Breaches of the FMA are serious offences and any areas of non-compliance, or suggestions of improper behaviour, could have a damaging impact on the reputation and integrity of the Group, the Board and Executive Management. This policy formalises the Group's interaction with external parties and the flow of price sensitive information.

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1. PURPOSE OF THE POLICY

The purpose of this policy is to formalise the safeguarding and appropriate disclosure of price sensitive information by establishing guidelines for interactions with outside parties, including investors, investment analysts, journalists and publishing houses.

2. JSE LISTINGS REQUIREMENTS

A General Principle of the Listings Requirements of the JSE Limited (“Listings Requirements”) is: *“To ensure that full, equal and timeous public disclosure is made to all holders of securities and the general public at large regarding the activities of an issuer that are price sensitive.”*

‘Price sensitive information’ is defined as:

“unpublished information that is specific or precise, which if it were made public, would have a material effect on the price of the issuer’s securities.”

In terms of the Listings Requirements Practice Note 2/2015 on Price Sensitive Information, the Board has considered and approved an internal policy on what constitutes price sensitive information for the Group. Practices are in place to ensure the safeguarding and appropriate employment of price sensitive information prior to its publication. This includes limiting interaction with external parties to select authorised persons, employing confidentiality agreements, password protection of documents and securing the distribution of price sensitive information both internally and externally during the compilation of financial period reports.

In the event that an employee of Mr Price Group is in doubt over potential disclosure of price sensitive information, they should immediately contact the Company Secretary. Should it be confirmed that price sensitive information has in fact been inappropriately or selectively disclosed, such information shall immediately published on SENS.

3. FINANCIAL MARKETS ACT

Chapter X of the FMA addresses the issue of market abuse.

An **‘Insider’** means a person who has inside information:

- a) through
 - i. being a Director, employee or shareholder of an issuer of securities listed on a regulated market to which the inside information relates; or
 - ii. having access to such information by virtue of employment, office or profession; or
- b) where such person knows that the direct or indirect source of the information was a person contemplated in paragraph (a).

‘Inside information’ means specific or precise information which has not been made public and which:

- a) is obtained or learned as an insider; and
- b) if it were made public, would be likely to have a material effect on the price or value of any security listed on a regulated market.

It is an offence to trade when in possession of inside information, whether directly, indirectly or through an agent and whether for the insider’s benefit or any other person. Insider trading, where the insider commits an offence, occurs where:

- an insider who knows that he or she has inside information deals directly or indirectly or through an agent for his or her own account in the securities listed on a regulated market to which the inside information relates or which are likely to be affected by it; or
- an insider who knows that he or she has inside information deals directly or indirectly or through an agent for any other person in the securities listed on a regulated market to which the inside information relates or which are likely to be affected by it, or
- any person deals for an insider directly or indirectly or through an agent in the securities listed on a regulated market to which the inside information possessed by the insider relates or which are likely to be affected by it, knowing that such person is an insider, or

- an insider who knows he or she has inside information and discloses the inside information to any other person, or
- an insider who knows he or she has inside information and who encourages or causes another person to deal or discourages another person from dealing in the securities listed on a regulated market to which the inside information relates or which are likely to be affected by it.

According to the FMA, a person found guilty of insider trading could be liable to pay an administrative sanction (fine) not exceeding:

- a) the profit made or the loss avoided as a result of the insider trading;
- b) up to R1 million (adjusted annually by CPI) + three times the amount referred to in (a) above;
- c) interest;
- d) legal and investigation costs; and
- e) the commission or consideration which was received for initially providing the inside information.

Directors, their associates and employees are cautioned against the most common form of insider trading where the insider “passes information on to anyone else”. Casual conversation, even during social occasions, can have serious implications.

4. EXTERNAL PARTIES

For the purposes of this policy, external parties are divided into the following entities:

- Lawyers, the external auditor, publishers, graphic designers, public relations companies and the Sponsor facilitating the compilation of price sensitive information ahead of its dissemination to the public (requiring confidentiality agreements to be in place).
- Investment analysts, journalists and shareholders, who hold a vested interest in the price sensitive information of the company.
- Key strategic merchandise suppliers with knowledge of upcoming fashion trends and insight on current trade through fluctuations in placed orders. The confidentiality of this information is addressed and secured through the supplier agreement confidentiality and intellectual property clauses.

5. AUTHORISED REPRESENTATIVES WITHIN MR PRICE GROUP

Information facilitators

Group Finance and Company Secretariat personnel are responsible for the compilation of the following reports containing price sensitive information:

- Annual Integrated Reports, incorporating the Annual Financial Statements;
- Financial Results Commentary;
- Press Advertisements;
- Presentations to the Investor Analyst Society;
- Press releases;
- Trading updates;
- SENS Notices;
- Notice of Meeting; and
- Declaration of dividends.

Investment community

Only the CEO and CFO and to a limited and administrative degree the Company Secretary, are authorised to interact directly with investors, investment analysts and journalists. This includes interaction via electronic means and social media platforms.

Key strategic merchandise suppliers

Engagement with key strategic merchandise suppliers occurs within the ordinary course of business.

6. PROCEDURE FOR HANDLING PRICE SENSITIVE INFORMATION

In accordance with the FMA, it is an offence to pass on inside information to a third person. Where such information must be passed on for the purposes of the proper performance of the functions of the person's employment, office or profession in circumstances unrelated to the dealing in listed shares (e.g. providing the printers with financial results for printing purposes prior to public announcement) this will not be an offence provided that it was made clear that the information constituted inside information and confidentiality agreements are in place.

In the Group's case, five external parties have access to price sensitive information prior to its publication, namely: the external auditor, the sponsor, the graphic designers, the printers and the public relations company. In each case, a confidentiality agreement is in place. Strict measures are in place to ensure the security of information prior to its publication. Early drafts sent to the sponsor or public relations company are devoid of key financial information. Furthermore, the distribution of information is tightly controlled.

A cloud-based SharePoint site is created to house and share the information with specific parties. This facility provides security on three levels:

- Restricted access to a defined user group;
- Login password required for each individual user; and
- Password protection of documents contained within the SharePoint folder. Passwords would be separately emailed and specific for each file within the folder.

7. INTERACTION WITH THE INVESTMENT COMMUNITY

Whilst it is crucial that communications with shareholders and the investment community be open and transparent, a balance must be sought between providing information and safeguarding price sensitive information. In its interaction with the investment community, Management will adopt the guidance below provided by the JSE in this regard, which seeks to reduce the risk of Management inadvertently providing price sensitive information.

- **Responding to questions:**
During discussions with analysts, Management are able to expand on information already in the public domain or discuss the markets/industry in which the Group operates, provided that such expanded disclosure does not qualify as price sensitive information. Management will decline to answer questions from analysts where the answer would lead to divulging price sensitive information. In responding to certain comments or views from analysts which appear to be inaccurate, Management will respond with information drawn from information released publicly to the market through SENS.
- **Analyst financial projections and draft reports from analysts:**
In respect of both draft reports and published financial projections, Management will only correct historical inaccuracies or factual positions. Management may consider the financial figures and/or assumptions and discuss them with the analyst in broad terms and without providing any price sensitive information. Management can, at their discretion, correct information in relation to financial figures and/or assumptions that do not constitute price sensitive information and drawn from information released publicly to the market through SENS.
- **Conducting discussions:**
Where possible, more than one spokesperson will be present during all interactions with analysts. Management will at all times be mindful of body language when answering questions. Post each discussion, Management will consider if any price sensitive information has inadvertently been disclosed. If so, such information will be immediately published through SENS.

- **Handling unanticipated questions:**

Particular care will be taken when dealing with analysts' questions that raise issues outside the intended scope of discussion. The following ground rules will be observed:

 - only information that has been publicly released through SENS or is in the public domain will be discussed; and
 - if a question can only be answered by disclosing price sensitive information, the answer will be declined.

On occasion, the investment community is permitted to visit stores and the distribution centre under strict guidelines given to both the staff and the visitors. The investment community is forbidden from interacting with non-authorised personnel in an attempt to elicit information which would otherwise not be provided by the authorised spokespersons. This includes asking probing, or seemingly innocent, questions of both store and support centre associates.

8. INVESTOR CALENDAR

In its interaction with the investment community, the Group seeks to adhere to sound values of good corporate governance where transparency, consistency and timing are vital elements of effective and appropriate communication. To this end, the communication strategy has been streamlined to facilitate the simultaneous provision of a consistent message to multiple stakeholders who are geographically spread across the globe.

The forms of engagement with the investment community include, but are not be limited to, the following:

- Investor Conferences;
- Webcast;
- Q&A dial in call;
- Local and international roadshows;
- Individual meetings with investors/analysts; and
- Media engagement.

A detailed investor calendar is posted on the Group website and SENS announcements of upcoming investor engagements for each quarter are released a fortnight before the period.

9. CLOSED AND PROHIBITED PERIODS

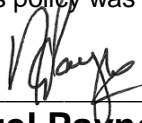
Communications with the Investment Community is prohibited during closed and prohibited periods. In exceptional cases where key conferences are being run during a closed period, the CEO and CFO may attend to provide insight into the business and strategy, without divulging information relating to current trade performance.

The Group has considered the definition of a closed period in terms of the Listings Requirements and has adopted stricter time limits. A closed period for the Group commences with the dissemination of the monthly financial information to the Board, which is usually a fortnight before the financial period-end. This translates into the following closed and prohibited periods which are adopted by the Group:

Description	Commence	Finish
Year end	Mid-March with the dissemination of the March Board meeting pack to the Board.	Late-May with the publication of the audited financial results on SENS.
Half year	Mid-September with the dissemination of the monthly financial information to the Board.	Mid/late-November with the publication of the unaudited financial results on SENS.
1 st period	Mid-July with the dissemination of the monthly financial information to the Board.	End August with the publication of the first period trading update on SENS.
Q3 trading update	Mid-December as advised by the Chairman, in consultation with the CEO, relative to the information discerned from the daily sales for the Christmas trading period.	Mid-January with the publication of the Q3 trading update on SENS.

10. APPROVAL OF THIS POLICY

This policy was approved by the Board on this 23rd day of March 2016



Nigel Payne

Chairman