

# GOVERNANCE REPORT



2024

2 April 2023 - 30 March 2024

YOUR VALUE CHAMPION



# Our Governance Report

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05

◀ INTRODUCING ▶

# Chairman's Report



## NIGEL PAYNE - CHAIRMAN

We have maintained our financial disciplines, and thus have a strong balance sheet, robust cash flows and low gearing.

Our inventory is in good shape, allowing us to offer our customers the best differentiated fashion and value.

My closing comments in my letter to our shareholders and stakeholders last year were:

“These are tough times for consumers around the world, with elevated inflation and interest rates. These pressures are particularly acute in South Africa - but are also the backdrop that provides significant opportunity for the group, with our almost 40-year track record of outperforming following tough times, based on our highly cash-generative business model and our robust retail disciplines. Our experience from previous negative economic cycles is that, as a predominantly cash-based fashion value retailer, Mr Price Group takes the hit first, but is also the first to rebound. We have an exciting vision to grow our business. Given the commitment of our people, I am confident that the group will regain its industry leading financial and operational performances.”

I am thus pleased to report that for the group FY2024 followed this pattern, with a tough H1 and then a much better H2, including strong market share gains almost every month, ongoing rollout of new stores, and sustained momentum in our high growth areas, all of which predict good results in the next few years.

The challenges we faced over the past few years brought out the best from our people: passion, dedication, resilience and innovation. It is clear that our team continues to be energised in the pursuit of our growth ambitions. Thank you all - not only have you brought us through the tough times, your unchanging positive attitudes and adaptability are the momentum that will enable us to achieve our dreams and ambitions.

Our board and leadership team have reviewed our strategic opportunities, building on the culture, retail fundamentals and principles established by our founders, Laurie and Stewart, that have served our group so well for decades. We have clearly defined our focus areas, and what we will avoid, over the next few years. Our strategic opportunities and related risks are well documented in our Integrated Report. We have strong brands and we know how to roll them out at scale, as is being demonstrated by the success of our Mr Price Kids standalone format. We are confident that our ambitions are realistic and that we have appropriate guardrails against excessive risk-taking.

We have maintained our financial disciplines, and thus have a strong balance sheet, robust cash flows and low gearing. Our inventory is in good shape, allowing us to offer our customers the best differentiated fashion and value. Our debtors' book retains its high quality as a result of being primarily a cash-based retailer, with tight credit-granting policies. Our recent acquisitions are performing well, with more to come.

Our people are our most important asset, and are the key to our future. We have continued to invest in our associates at all levels, details of which can be found in our [remuneration report](#). I am particularly grateful to our group CEO Mark

Blair for his inspirational leadership over the past few years, grabbing the opportunities that presented themselves and not shying away from the tough decisions we had to take. Mark's insights in his CEO report are a great overview of the detail in the rest of our [integrated report](#).

The group, both directly and via Mr Price Foundation, will continue to positively impact education, internships, job creation and supplier development. We will also continue our commitment to sustainable procurement and reduction of plastic and carbon omissions in the best interests of our planet's future. Most of these initiatives have been in place for years, and form a key part of our purpose. I encourage all stakeholders to read our [sustainability report](#) and Mr Price Foundation's integrated report.

The anticipated reduction in interest rates globally and locally will soon boost consumer confidence. Hopefully, South Africa will gain additional momentum by moving away from a government defined by self-interest, corruption and incompetence. The implementation of policies focused on economic growth will benefit millions of people currently trapped in unemployment and poverty. We plead with the South African government to change tack and start to act in the best interests of our country and all our people. Recent partnerships with the private sector have made a significant difference in the energy and logistics sectors. These need to be expanded and extended to other critical areas such as healthcare and education.

I would like to thank my colleagues on the board for their continued quality work, wisdom and commitment to the group and for the sound judgement brought to our deliberations. We have a robust board culture that enables us to learn from both our successes and our mistakes. This is enhanced by a good mix of longer serving and newer board members. We welcomed Refilwe Nkabinde to the board during the year and look forward to her professional and commercial insights. Praneel Nundkumar has had a great start as our CFO.

The group is highly regarded for the transparency of our reporting and our strong ethical foundations. I am satisfied that the board performed both our governance oversight and our strategic leadership role to a high standard during the year. We embrace the future with confidence.

Nigel Payne  
Chairman

# Our terminology

The following abbreviations are used in this report:



## Abbreviations

ACC	Audit and Compliance Committee
act	the Companies Act (71 of 2008)
AGM	annual general meeting
board	the board of directors of the company
CEO	chief executive officer
CFO	chief financial officer
ERP	enterprise resourcing planning
group	Mr Price Group Limited and its consolidated entities
King IV™	King IV™ Report on Corporate Governance for South Africa 2016
KPIs	key performance indicators
listings requirements	the Listings Requirements of the JSE Limited
LID	lead independent director
LTIs	long-term incentives
MOI	the Memorandum of Incorporation of the company
NED	non-executive director
notice	notice of AGM
Remnomco	Remuneration and Nominations Committee
remuneration report	the remuneration report as contained in the Remnomco report on pages 165 to 204 of the company's 2024 integrated report
report	2024 integrated reporting suite of the company
RITC	Risk and IT Committee
SETS	Social, Ethics, Transformation and Sustainability Committee
STIs	short term incentives
the company	Mr Price Group Limited

## Purpose

The group's purpose of being 'Your Value Champion' is upheld by good corporate governance, promoting sustained value creation, engendering stakeholder trust and confidence to achieve the group's vision 'To be the most valuable retailer in Africa'. This is reflected in the group's values of:

-  Passion
-  Value
-  Partnership



The main impact of the board's deliberations on the group's value creation elements is reflected below:



**KING IV™ GOVERNANCE OUTCOMES**

- Ethical culture
- Good performance
- Effective control

**Leadership**

The board's steady commitment to adopt good corporate governance begins with its "tone from the top" approach leading ethically, effectively and consciously through the key pillars of integrity, competence, responsibility, accountability, fairness and transparency. From the board and executive leadership to store associates, both individually and collectively, all associates must do the right thing and display these key traits to enable delivery of appropriate outputs, ensure long-term sustainability of the group, create shareholder value and ultimately help achieve the group's vision through delivering strategy. Good corporate governance is aspirational and must be continuously monitored, adapted

and improved having regard to the complex and changing environment in which the business operates. The continued strength of the board's leadership and its flexibility to process, respond and thrive in an environment of volatility, uncertainty, complexity and ambiguity remains key to ensure the group's strategic direction and core values remain uncompromised. It is essential that governance practices continue to be aligned and integrated throughout the group to support achievement of the company's strategy. More detail on the group's strategy can be found on the strategy and performance and material matters sections on pages 89 to 96 and 105 to 110 of the [integrated report](#).

**Role**

The board is the custodian of corporate governance and is responsible for guiding the group towards achieving the governance outcomes through steering strategic direction and value creation as set out in the board's mandate, published on the group's website: [www.mrpricegroup.com](http://www.mrpricegroup.com). This includes -

- Providing ethical, effective and conscious leadership
- Ensuring the group is, and is seen to be, a responsible corporate citizen (see the group's [sustainability report](#))
- Overseeing value creation to ensure the achievement of positive outcomes for all stakeholders
- Steering and setting strategic direction and monitoring group performance for the realisation of the group's purpose and vision
- Monitoring ethics, board composition, responsible corporate citizenship, transformation, sustainability, risk, remuneration, technology and information, compliance and assurance through its various committees
- Ensuring a stakeholder-inclusive approach

**Board statement**

The board is satisfied it has fulfilled its responsibilities in accordance with its mandate for the 2024 financial year and has provided relevant information to all stakeholders to satisfy the King IV™ disclosure requirements.

The board confirms the group's compliance with the act and the MOI for the reporting period.

# Board Report



# Board Key Focus

- Monitoring and supporting the group’s strategic growth objectives in pursuit of its vision and purpose, including an in-depth strategy breakaway session, defining guardrails for future growth opportunities, considering (and either approving or declining) various organic and acquisitive opportunities, and assessment of progress against strategic KPIs
- Supporting management’s ongoing integration and performance oversight of the group’s newer divisions of Power Fashion, Yuppiechef and Studio 88
- Under the guidance of RITC, overseeing the appropriateness of management’s response to all material risks in the business including monitoring the return on investment of backup power solutions rolled out in stores, continued mitigation activities to reduce the impact of loadshedding on performance and growth, and approval of the group’s energy response plan (refer to material matters on pages 105 - 110 of the **integrated report**)
- Under guidance of RITC, continued monitoring of the group’s business model to support an increasingly digital future, including the stabilisation of the group’s ERP system implementation
- Under the guidance of SETS, strengthening and monitoring the progress of the group’s transformation strategy and sustainability efforts
- Supporting management in (i) settling the adjusted organisational design structure implemented during the year and (ii) making various leadership appointments
- Supporting management on continued engagement with government and various industry bodies on issues impacting communities and business in the KwaZulu-Natal province, particularly Durban port operations and municipal infrastructure, and economic growth in South Africa
- Under the guidance of Remnomco, strengthening board independence and overall diversity, by approving a change in executive leadership and various changes to board and committee composition
- Under the guidance of ACC, supporting the incoming CFO and the external auditor transition
- Approving and monitoring the performance of the Mr Price Kids store rollout (following the test of the Mr Price Baby concept)
- Ensuring capital allocation recommendations by management correctly align to strategy achievement and that balance sheet management remains a cornerstone of the group’s investment case
- Ensuring the group’s quality of earnings promotes the group’s long-term sustainable earnings targets
- Under the guidance of Remnomco, overseeing the evaluation of the group’s remuneration philosophy across all associate grades to ensure the group is promoting a performance culture and rewarding its top talent to achieve its ambitions
- Under the guidance of Remnomco, supporting management in the conversion of remuneration to a cost to company model

## Future areas of focus

- Continued monitoring of the phased integration and performance of Power Fashion, Yuppiechef and Studio 88
- Under the guidance of Remnomco, continued monitoring of the composition of the board to ensure it is fit to support the delivery of strategy and value creation through deliberate identification and addition of board skills
- Continued monitoring and support of the group’s strategic growth objectives in pursuit of its vision and purpose, including assessment of opportunities as they arise and making capital allocation decisions to provide funding of investment as relevant
- Continued monitoring and implementation of key legislation, through the various committees
- Under the guidance of Remnomco, further evaluation of the group’s remuneration philosophy and approving proposed adjustments to the STI and LTI frameworks as appropriate
- Embracing good corporate governance and conducting evaluations of the board and the committees
- Ensuring balance sheet management remains a cornerstone of the group’s investment case
- Under the guidance of Remnomco, monitor board and executive leadership succession planning

## FY2024 board governance activities

Quarter 01	Quarter 02
<ul style="list-style-type: none"> <li>• Approval of the FY2023 integrated report and annual financial statements, as recommended by ACC</li> <li>• Approval of the FY2023 final dividend, as recommended by ACC</li> <li>• Feedback on the achievement of the FY2023 strategy against KPIs</li> <li>• Monitoring the progress on areas identified for improvement through the board evaluation process.</li> <li>• Annual review of the group’s application of King IV™</li> <li>• CEO, CFO and company secretary evaluation for FY2023</li> <li>• Approval of the various changes to board and committee composition, as recommended by Remnomco</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of the appointment of Deloitte &amp; Touche as the group’s FY2024 auditor, as approved by shareholders at the 2023 AGM</li> <li>• Engagement with the group’s top 25 shareholders ahead of the 2023 AGM</li> <li>• 2023 AGM</li> <li>• Approval of FY2024 KPIs</li> <li>• Approval of the changes in executive leadership as recommended by Remnomco</li> </ul>
Quarter 03	Quarter 04
<ul style="list-style-type: none"> <li>• Focused board strategy session and approval of management’s approach to the implementation of the group’s strategy</li> <li>• Monitoring the progress on areas identified for improvement through the board evaluation process</li> <li>• Monitoring the progress of KPIs in support of achieving the group’s strategy</li> <li>• Approval of the FY2024 interim results, as recommended by ACC</li> <li>• Approval of the FY2024 interim dividend, as recommended by ACC</li> <li>• Annual special corporate governance meeting held</li> <li>• Considered the appropriateness of the board and committee composition</li> <li>• Director independence assessments</li> <li>• Annual review of board and committee mandates</li> <li>• Approval of the group’s FY2024 B-BBEE target</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of the FY2025 budget</li> <li>• Confirmation of compliance with the act and the MOI</li> <li>• Monitoring the continued progress of KPIs in support of achieving the FY2024 strategy</li> <li>• Approval of associate annual salary increases for FY2025, as recommended by Remnomco</li> <li>• Approval of financial assistance for the FY2025 period to inter-related companies</li> </ul>

# Board of Directors

The group's approach to board composition is to maintain a vibrant, inclusive, fit for purpose board that can navigate through disruption, challenge management and evaluate performance against established targets in support of delivery of strategy.

Board of directors are listed in alphabetical order

					
<p><b>Daisy Naidoo*</b> Independent, non-executive director</p>	<p><b>Harish Ramsumer</b> Independent, non-executive director</p>	<p><b>Jane Canny</b> Independent, non-executive director</p>	<p><b>Lucia Swartz</b> Independent, non-executive director</p>	<p><b>Mark Blair</b> Chief Executive Officer</p>	<p><b>Mark Bowman</b> Lead independent director</p>
<p><b>Age:</b> 52 years <b>Appointed:</b> May 2012</p>	<p><b>Age:</b> 63 years <b>Appointed:</b> July 2023</p>	<p><b>Age:</b> 67 years <b>Appointed:</b> March 2021</p>	<p><b>Age:</b> 66 years <b>Appointed:</b> August 2020</p>	<p><b>Age:</b> 58 years <b>Appointed:</b> March 2006</p>	<p><b>Age:</b> 58 years <b>Appointed:</b> February 2017</p>
<p><b>Committee membership:</b> ACC (Chair), RITC, SETS</p> <p><b>Qualifications:</b> CA (SA), MCom (Tax)</p> <p><b>Other directorships:</b> Private companies</p> <p><b>Key skills:</b> <b>Finance, financial services, governance, leadership, risk and assurance, strategy</b></p> <p><i>*will retire by rotation August 2024</i></p>	<p><b>Committee membership:</b> ACC (chair from 30 August 2024), RITC</p> <p><b>Qualifications:</b> CA (SA)</p> <p><b>Other directorships:</b> Premier Group Limited</p> <p><b>Key skills:</b> <b>Finance, governance, human capital, leadership, risk and assurance, strategy and innovation, technology</b></p>	<p><b>Committee membership:</b> RITC, SETS</p> <p><b>Qualifications:</b> FCG (CS, CPG, ACC), Fellow of Chartered Governance Institute of Southern Africa</p> <p><b>Other directorships:</b> Hollard Group Risk (a division of Hollard)</p> <p><b>Key skills:</b> <b>Finance, financial services, governance, human capital, IT, leadership, retail, risk and assurance, strategy, sustainability</b></p>	<p><b>Committee membership:</b> Remnomco, SETS (chair from 31 August 2023)</p> <p><b>Qualifications:</b> BA, Diploma in Human Resources Management; Advanced Management Programme</p> <p><b>Other directorships:</b> Tiger Brands Limited, Santam Limited</p> <p><b>Key skills:</b> <b>Governance, human capital, international, leadership, strategy, sustainability</b></p>	<p><b>Committee membership:</b> RITC, SETS</p> <p><b>Qualifications:</b> CA (SA)</p> <p><b>Other directorships:</b> Private companies</p> <p><b>Key skills:</b> <b>Finance, financial services, governance, human capital, international, IT, leadership, retail, risk and assurance, strategy, sustainability</b></p>	<p><b>Committee membership:</b> Remnomco (Chair), ACC</p> <p><b>Qualifications:</b> BCom (Finance) MBA</p> <p><b>Other directorships:</b> Private companies</p> <p><b>Key skills:</b> <b>Finance, human capital, international, IT, leadership, marketing, strategy, supply chain and logistics, sustainability</b></p>
					
<p><b>Neill Abrams*</b> Independent, non-executive director</p>	<p><b>Nigel Payne</b> Independent, Chairman</p>	<p><b>Praneel Nundkumar</b> Chief Financial Officer</p>	<p><b>Refilwe Nkabinde</b> Independent, non-executive director</p>	<p><b>Richard Inskip</b> Independent, non-executive director</p>	<p><b>Stewart Cohen</b> Non-independent, Honorary Chairman</p>
<p><b>Age:</b> 59 years <b>Appointed:</b> September 2023*</p>	<p><b>Age:</b> 64 years <b>Appointed:</b> August 2007</p>	<p><b>Age:</b> 40 years <b>Appointed:</b> August 2023</p>	<p><b>Age:</b> 45 years <b>Appointed:</b> December 2023</p>	<p><b>Age:</b> 62 years <b>Appointed:</b> July 2023</p>	<p><b>Age:</b> 79 years <b>Appointed:</b> March 1989</p>
<p><b>Committee membership:</b> RITC</p> <p><b>Qualifications:</b> BA, LLB, LLM (Cambridge)</p> <p><b>Other directorships:</b> Ocado Group Plc (Company Secretary)</p> <p><b>Key skills:</b> <b>Governance, human capital, international, leadership, retail, risk and assurance, strategy</b></p> <p><i>*Transitioned from alternate director to non-executive director</i></p>	<p><b>Committee membership:</b> RITC (Chair), Remnomco</p> <p><b>Qualifications:</b> CA (SA), MBL</p> <p><b>Other directorships:</b> Bidcorp Ltd, Strate (Pty) Ltd, Vukile Property Fund Ltd</p> <p><b>Key skills:</b> <b>Finance, financial services, human capital, governance, international, leadership, risk and assurance, strategy</b></p>	<p><b>Committee membership:</b> RITC</p> <p><b>Qualifications:</b> BCom (Hons), MBA, CA (SA)</p> <p><b>Other directorships:</b> Private companies</p> <p><b>Key skills:</b> <b>Finance, financial services, governance, leadership, risk and assurance</b></p>	<p><b>Committee membership:</b> ACC</p> <p><b>Qualifications:</b> CA (SA)</p> <p><b>Other directorships:</b> Vodacom (Pty) Ltd</p> <p><b>Key skills:</b> <b>Finance, leadership, retail, risk and assurance, strategy and innovation, supply chain and logistics</b></p>	<p><b>Committee membership:</b> Remnomco</p> <p><b>Qualifications:</b> BCom, Strategic Information Technology Management Certificate</p> <p><b>Other directorships:</b> Hyprop Investments Ltd, Clicks Group Ltd</p> <p><b>Key skills:</b> <b>Leadership, retail, strategy and innovation, supply chain and logistics, technology</b></p>	<p><b>Committee membership:</b> None</p> <p><b>Qualifications:</b> BCom, LLB, MBA</p> <p><b>Other directorships:</b> Private companies</p> <p><b>Key skills:</b> <b>Finance, governance, human capital, international, leadership, marketing, retail, strategy, supply chain and logistics</b></p>



# King IV™

This King IV™ overview is included to provide guidance to stakeholders on how and where to find disclosure on the general application of the King IV™ practices and the specific disclosures in relation to each principle.

The importance of corporate governance on business sustainability and value creation is well understood and is highlighted in times of crises and uncertainty. Poor corporate governance will ultimately result in poor business practices. The group's application of the outcomes-based and holistic approach of King IV™ continues to be integrated into the daily aspects of the business. The ultimate goal of this is the realisation of an ethical culture, good performance, effective control and legitimacy through the creation of value through the achievement of the group's strategy and vision to be the most valuable retailer in Africa.



## King IV™ disclosures in this report

The meaningful and group-wide integration of the King IV™ corporate governance practices in the group's daily operations is the key input to achieving the desired governance outcomes. The board chooses to not publish a 'tick-box' application register. Rather, it has integrated the application of the King IV™ principles and practices through the content of this report. The group aims to provide relevant and material disclosure of not only the specific King IV™ matters requiring disclosure but also additional practices and procedures, to enable stakeholders to make informed decisions based on material and meaningful information.

The King IV™ board and committee evaluation is conducted biennially. As part of the last evaluation during FY2022 and in the opinion of the independent assessor, the group complies with the provisions of King IV™ regarding the effectiveness of the chairs and the operations of the board and its committees. Due to the various changes in board and committee composition during the reporting period, the next evaluation will be conducted in FY2025 once the new appointees have been fully inducted and settled into their respective roles.

The board's view is that all King IV™ principles have been applied across the group for the FY2024 reporting period.

The following governance documents are located on the [governance page](#) of the group's website

- Board and committee mandates
- Policies for the appointment of directors, alternate directors and promotion of diversity on the board
- Outline of board and management committees
- Internal audit annual assurance statement
- Code of conduct
- Memorandum of incorporation
- Notice of 2024 AGM

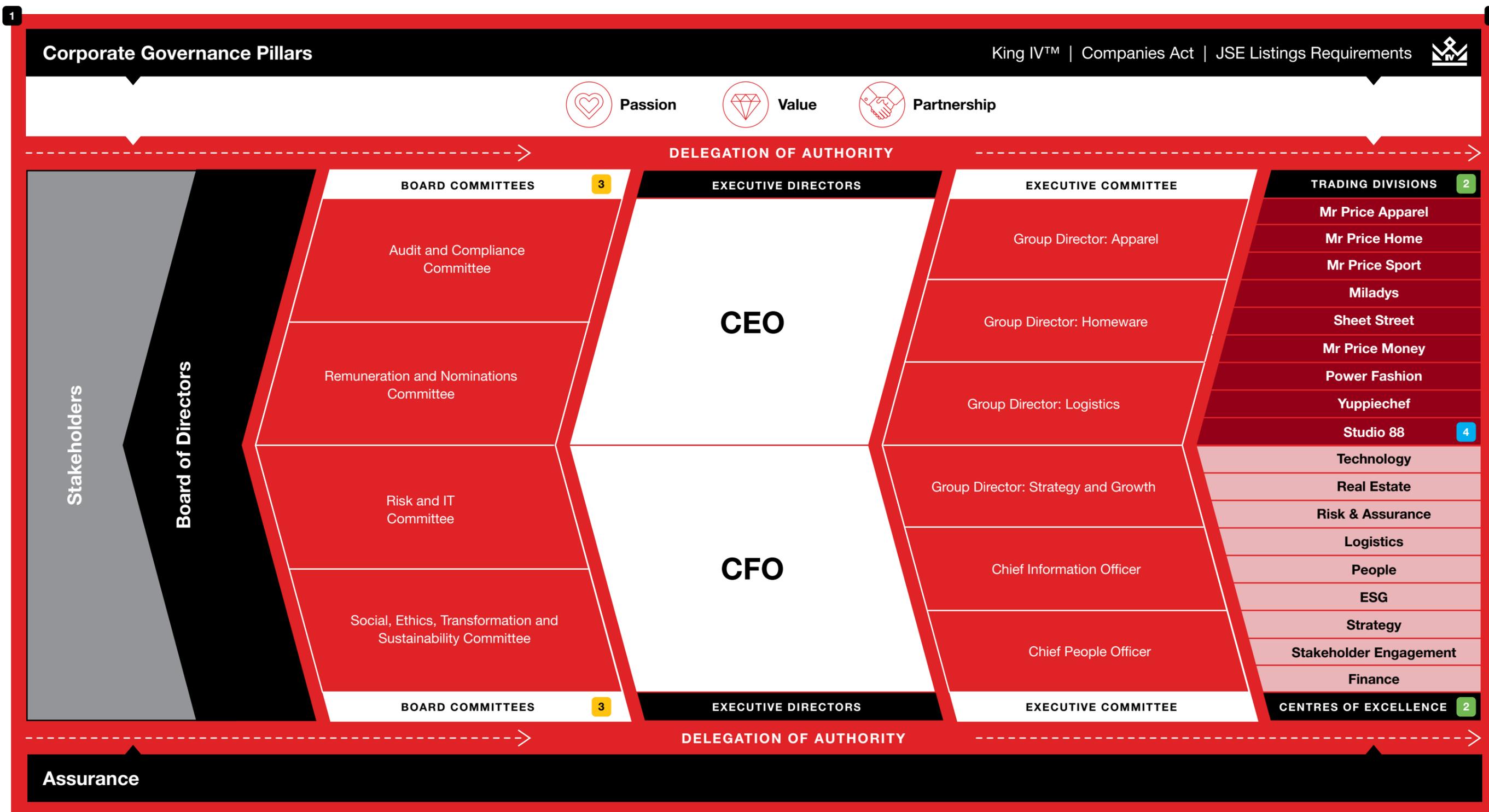


As a quick reference guide, the primary King IV™ disclosure items can be found on the following pages in this report:

PRINCIPLE	PAGES
1 Leadership	131 - 136
2 Organisational ethics	79 - 84*
3 Responsible corporate citizenship	1 - 88*
4 Strategy and performance	89 - 96
5 Reporting	131 - 162
6 Board	135 - 136
7 Board composition	135 - 136, 141
8 Board committees	155 - 162
9 Board performance evaluation	153
10 Appointment and delegation to management	153
11 Risk governance	97 - 104, 159 - 160
12 Technology and information governance	159 - 160
13 Compliance governance	12 - 13*
14 Remuneration governance	165 - 204
15 Assurance	9 - 11*
16 Stakeholders	65 - 68

\*Together We Do Good sustainability report  
\*annual financial statements

# Governance Framework



**1** The activities and actions undertaken by the board, its committees, executive management and senior management are in the context of and underpinned by (i) the group values of Passion, Value, Partnership, (ii) the group ethics framework and (iii) the group's code of conduct.

**2** Trading division and centres of excellence board meetings occur in May, July, October, and February.  
Details of attendees at these meetings are included in the board and management committees document on the website: [www.mrpricegroup.com](http://www.mrpricegroup.com).

**3** Non-member director attendance at committee meetings is high, which allows for the sharing of information between committees and facilitates transparency and robust informed deliberations.

**4** Studio 88 board meetings are conducted in terms of the shareholders' agreement between the majority and minority shareholders. Reporting both into and from the group and Studio 88 is provided as necessary by the group's CEO and CFO.

## Board composition

### Key changes:

Quarter	02	Quarter	03
	<ul style="list-style-type: none"> <li>Harish Ramsumer and Richard Inskip appointed 1 July 2023</li> <li>Mark Stirton stepped down as CFO 31 July 2023</li> <li>Praneel Nundkumar appointed as CFO 1 August 2023</li> <li>Keith Getz and Steve Ellis retired by rotation 30 August 2023</li> <li>Neill Abrams appointed 1 September 2023 (and stepped down as alternate director to Stewart Cohen)</li> <li>Mmaboshadi Chauke resigned 30 September 2023</li> </ul>		<ul style="list-style-type: none"> <li>Refilwe Nkabinde appointed 1 December 2023</li> </ul>

The group's approach to board composition is to maintain a vibrant, inclusive, fit for purpose board that can navigate through disruption, challenge management and evaluate performance against established targets in support of delivery of strategy. The board comprises an independent chairman, LID, CEO, CFO and NEDs. At the end of the reporting period, the 12 directors comprised two executive directors, nine independent non-executive directors and one non-executive director (see [page 143](#) for further detail on independence).

The board is satisfied that its composition during the reporting period reflected an appropriate mix of knowledge, skills, experience, overall diversity and independence, as supplemented by the various composition changes detailed below. However, the board, under the guidance of Remnomco, continually assesses this to ensure its diversity and balanced independence supports the delivery of strategy and value creation to achieve its vision to be the most valuable retailer in Africa. The approach to board composition is one of careful consideration, continuous improvement and striking a balance between maintaining relevant, fit for future skills, independence, and retaining institutional knowledge, particularly in the context of the cyclical nature of the retail environment and the fluid economic and social environment in which the group operates.

With this in mind and to enhance overall independence and bolster retail skills, during the reporting period the following changes took place –

#### Retirements:

- Keith Getz: retired by rotation in August 2023 after providing 18 years of extensive governance expertise to the group
- Steve Ellis: retired by rotation in August 2023 having served the group for 18 years and sharing his retail skills and insights both as an executive and non-executive director

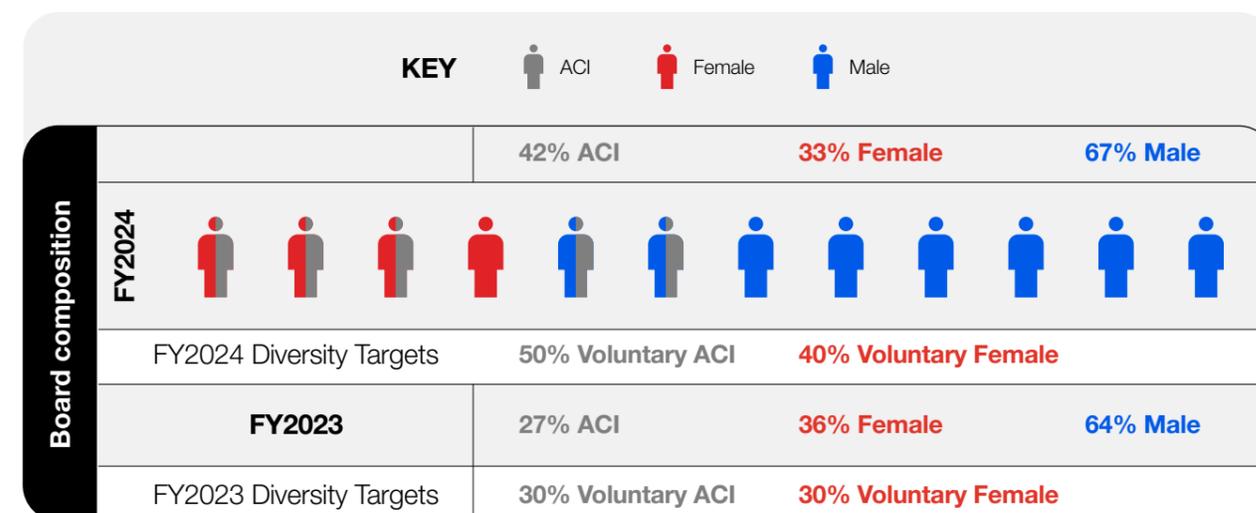
#### Resignations:

- Mark Stirton stepped down as CFO on 31 July 2023, after holding various finance leadership roles during his nine years with the group
- Mmaboshadi Chauke resigned on 30 September 2023, after five years of contribution to the board, to pursue other interests

#### Appointments:

- Harish Ramsumer was appointed on 1 July 2023 to enhance the board's audit, assurance and finance skills
- Richard Inskip was appointed on 1 July 2023 to enhance the board's retail skills
- Neill Abrams transitioned from alternate director to non-executive director on 1 September 2023 bringing his international retail and legal knowledge to the board
- Praneel Nundkumar was appointed as CFO on 1 August 2023 and whose appointment is presented to shareholders at the AGM for confirmation as per the MOI
- Refilwe Nkabinde was appointed on 1 December 2023 to supplement the finance skills on the board and whose appointment is also presented to shareholders at the AGM for confirmation

In considering the appointments, Remnomco assesses the knowledge, skills, experience, diversity and independence of the nominated director, and the potential director's capacity and risk of "overboarding".



## Director capacity

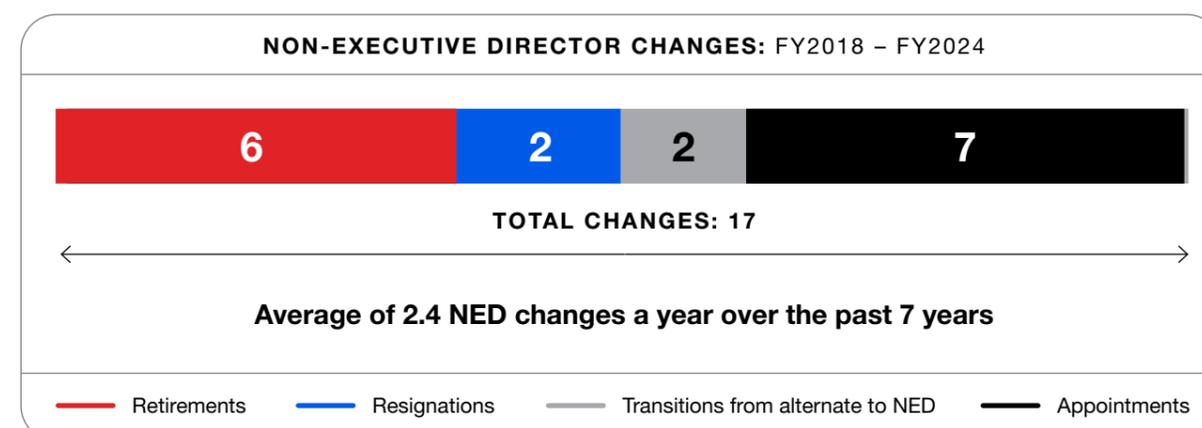
In recommending directors to the board for appointment, Remnomco is cognisant of the nominated director's ability to execute their duties and responsibilities. As such, the committee assesses whether nominated NEDs have sufficient capacity to execute their fiduciary duties and apply their focus the company's affairs (i.e. a director is not committed to too many boards, known as overboarding) while balancing the benefit of the unique perspective, experience and wise counsel that is brought to board and committee deliberations by directors who sit on multiple boards. The committee bases this assessment on the capacity disclosures made by the nominated director, publicly available information and reference checks.

This approach was followed in appointing Harish, Richard and Refilwe. In the context of Refilwe's leadership position at Vodacom Africa and prior to her acceptance of appointment, clearance was obtained from Vodacom and detailed discussions were held regarding the possible conflicts between Mr Price and Vodacom meetings. Capacity constraints for FY2025 were identified up front and it was agreed how to best manage these

to enable Refilwe to fulfil her duties for both Vodacom and Mr Price. Remnomco and the board determined that the benefit of having Refilwe's skill and experience on the board outweighs the potential calendar overlaps, the impact of which have and will continue to be closely mitigated and managed.

As part of the annual review of the board's skills matrix conducted in November, directors are required to disclose the boards on which they sit as well as other leadership and substantive positions held. Remnomco is satisfied that the directors have sufficient capacity to fulfil both their legislative responsibilities and the group's expectations and there is no overboarding.

In considering and accepting other board appointments, directors are required to engage with the chair and company secretary to discuss and obtain clearance regarding impact on capacity, especially in instances where there is an overlap or conflict of financial reporting and meeting timing (see also conflicts of interest on [page 150](#)).



## Induction and ongoing professional development

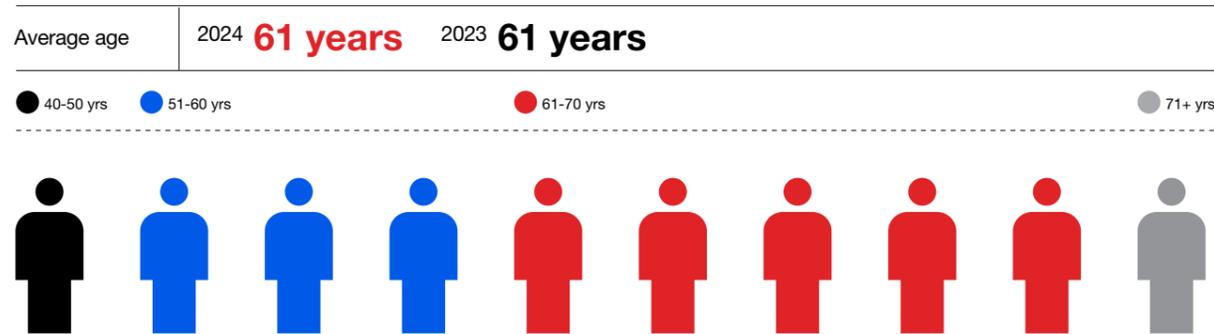
The formal induction programme managed by the company secretariat supports new NEDs with their understanding of governance and statutory obligations. The programme also includes exposure to the honorary chair, chair, and the group's trading operations and ways of working to ensure smooth integration into and deep understanding of the group to support the fulfilment of their director duties and responsibilities. The programme comprises training with the company secretary and JSE sponsor, meet-and-greets with the CEO and CFO, pre-meetings with the relevant committee chair (if applicable), executive management and divisional managing directors, attending inhouse retail induction training, merchandise product reviews and visits to the group's stores and distribution centres.

In preparation for the change of ACC chair, both the outgoing chair and incoming chair were part of all preparations including pre-meetings held with management, internal audit and external audit during the period to ensure a transfer of institutional knowledge, enabling a smooth chairmanship transition.

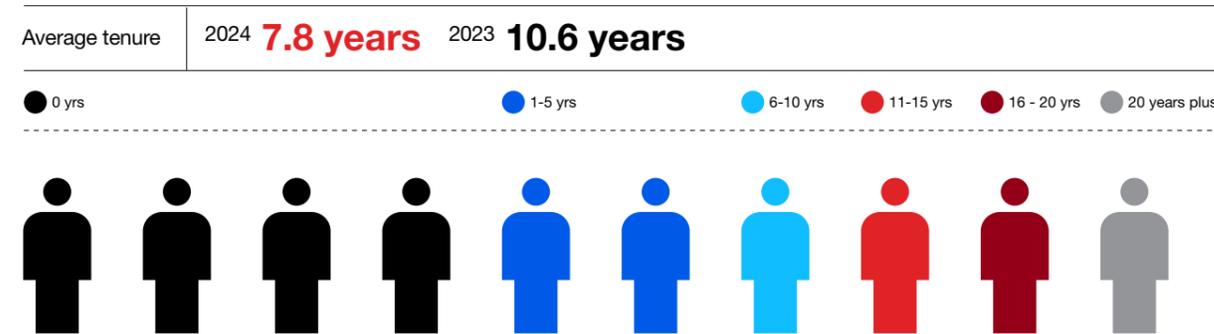
New and current directors have access to management and their teams, the process for which is set out in the onboarding pack. All directors receive formal and informal strategic, operational, industry and regulatory updates, both external and internal, as part of continuous education and communication throughout the year; and an annual formal board education session is presented by an external presenter on topics relevant to the retail industry. This assists in ensuring the board keeps abreast of industry, technology and economic developments, both locally and internationally, in order to lead effectively.



### Non-executive director age



### Non-executive director tenure



### Board diversity

- Key changes:**
- ACI diversity increased to 42% (from 27%)
  - Original gender and ACI diversity targets met
  - Increased voluntary gender diversity target to 40% (from 30%)
  - Increased voluntary ACI diversity target to 50% (from 30%)

The board's diversity cultivates robust debate on key issues which results in improved decision making. During FY2024 and with the various changes in board composition (see page 135) of which diversity was a key consideration, the original gender and ACI diversity targets, both at 30%, were met. As a result and to instil further diversity, the board increased its voluntary gender diversity target to 40% female representation and its ACI voluntary diversity target to 50% ACI representation.

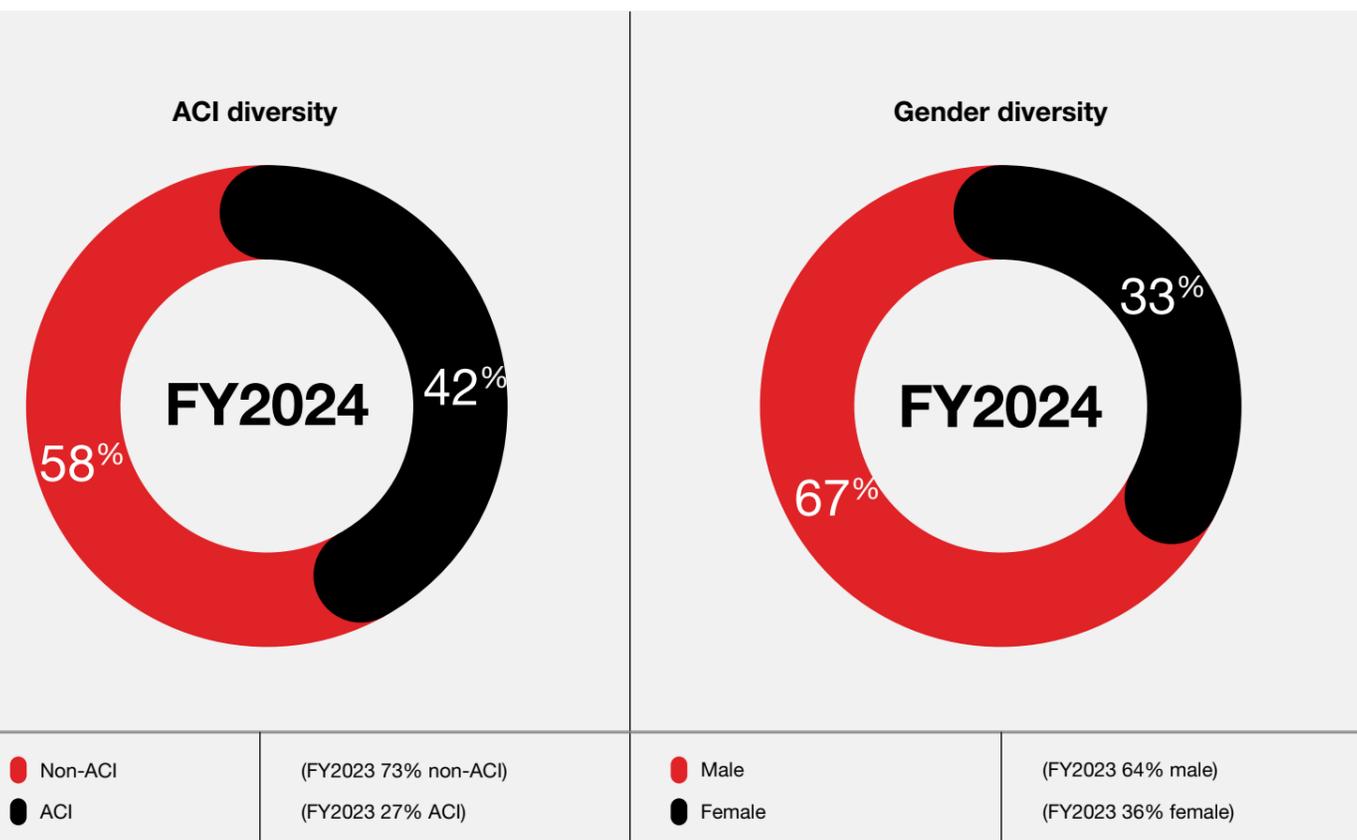
Future board appointments will be made in furtherance of these targets, balanced against available and relevant skills required to supplement the board's existing diversity.

### Tenure

- Key changes:**
- Average NED tenure decreased to 7.8 years (from 10.6 years)

The group values the service of its longstanding NEDs its directors and believes this serves the business well, given the cyclical and specialist nature of retail, and ensures the retention of valuable corporate knowledge. The board acknowledges and recognises the long-standing directors, who continuously add invaluable experience and knowledge to the group. Director tenure is one of the elements considered for board diversity and retaining institutional knowledge, skills, experience and maintaining continuity is balanced with the importance and benefit of introducing new directors to support a fit for growth business and bolster the skills within the board. As part of the board's succession plan and during the reporting period the board approved four new director appointments (including a transition from alternate director to non-executive director), two directors retired by rotation while one director resigned (see page 135).

The group's three long-standing NEDs, who continue to provide meaningful contributions with their experience and skills, are (i) Stewart Cohen, the group's co-founder, who provides regular and valuable retail insights and input on strategy and is the embodiment of the group's values of Passion, Value and Partnership, (ii) Nigel Payne, bringing business knowledge and providing key support to management to navigate global and local socio-economic disruption and complexities, especially in recent years, and (iii) Daisy Naidoo with her extensive finance, financial services and business knowledge. Daisy is due to retire by rotation at the 2024 AGM.



### Board skills

The board's set of skills includes a balance of:

- Finance
- Financial services
- Governance
- Human capital
- International
- Leadership
- Marketing
- Retail
- Risk and assurance
- Strategy
- Supply chain and logistics
- Sustainability / ESG
- Technology



## Retirement by rotation

As per the memorandum of incorporation, each year one third of the non-executive directors retire by rotation. Subject to these directors making themselves available for re-election, Remnomco recommends directors for re-election based on their attendance of board meetings, participation, value-add, and balance of board skills. Daisy Naidoo, Lucia Swartz, Richard Inskip and Mark Bowman are due to retire by rotation at the 2024 AGM.

As announced in June 2023, Daisy has indicated that she will not offer herself for re-election and will accordingly be retiring after the groups AGM to be held on 29 August 2024. The board extends its sincere gratitude to Daisy for her 12 years of service to the group, particularly her effective and diligent leadership as ACC chair and her contributions as a member of RITC and SETS.

As recommended by Remnomco and having considered the retiring directors' capacity based on their other directorships and commitments, the board fully supports the re-election of Lucia, Mark and Richard as non-executive directors.

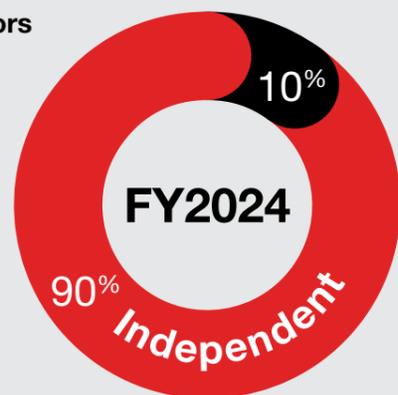
## Fees

NED fees and executive remuneration is disclosed in the [remuneration report](#) on pages 186 to 188. The total cumulative NED fee increase of 6%, is aligned with general associate increases but is allocated across the various roles to align with benchmarking conducted and has been recommended by Remnomco having regard to inflation and external benchmarking. These proposed increases for shareholder approval can be found in the [remuneration report](#) on page 188 and in the [notice](#).

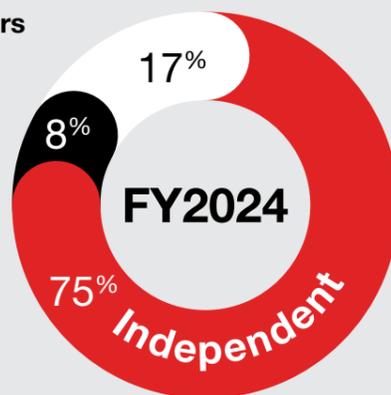


## Director independence

### Non-executive directors



### Full board of directors



● Independent (FY2023: 67%)  
● Non-independent (FY2023: 33%)

● Independent non-executives (FY2023: 55%)  
● Non-executives (FY2023: 18%)  
● Executive directors (FY2023: 27%)

#### Key changes

- NED independence increased to 90% (from 67%)
- Full board independence similarly increased to 75% (from 55%)

Each year, facilitated by the LID on behalf of the board, the independence of each NED is assessed by way of a formal written self-assessment based on several director independence indicators. These indicators include personal and professional interests, nature of relationship with the group, length of service and individual conduct.

The board retains its view that while the length of tenure of a director's service is one of the factors in considering independence, it is not the only one (see tenure on page 146). The group notes the policy position of various investors and proxy houses that appropriate director tenure is linked to the period from which a director is automatically deemed to no longer be independent. The group also notes the approach of the assessment of independence whereby NEDs are automatically deemed 'not independent' when the concurrent service between NED and executive director exceeds 12 years and when the NED has served for more than 15 years, regardless of any overlap with any executive directors. The board retains its view that while the length of tenure of a director's service is one of the factors in considering independence, it is not the only one. By applying tenure as a hard and fast rule, independence is not considered holistically and the objective exercise of judgement by a director is disregarded. The board understands that a policy position must be formed to exercise voting, and that the various corporate failures in recent times both locally and internationally have highlighted the risk of insufficient independence, especially when there is long tenure and overlap with executive management. However, independence is not a 'tick box' exercise but rather a complex assessment, including both objective and subjective considerations.

A substance-over-form approach is endorsed by the board and aligns with the independence recommendations of King IV™. King IV™ references a nine-year independence period, after which an additional, more detailed independence assessment is carried out to determine whether a longstanding director acts with independence of mind. The view that is generally taken by investors, analysts and proxy houses is that three rotations of three years, with either an extra year (a 10-year tenure) or an extra rotation (12 years) is acceptable to consider a NED as independent, after which they automatically become 'not independent'.

To protect individual and collective board independence, directors who have served on the board for nine years or longer are required to complete an additional self-assessment per King IV™. These results, together with other facts and circumstances relevant to each director, were considered by the board at the November 2023 special corporate governance meeting. Although the board is satisfied each director acts with independence of mind and in the best interests of the group, the board is cognisant of the appearance of independence and because of this has again for the reporting period classified Stewart Cohen as not independent due to his material holding in the group's shares. The board is further satisfied that each of the other long-serving directors, Nigel Payne and Daisy Naidoo (who will retire by rotation in August 2024), exercise objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision making, and are thus classified as independent.

## Board chair

The board considers its chair, Nigel Payne, to be independent (see pages 146 and on the previous page) on the group's approach to tenure and independence. In addition, Mark Bowman is the appointed LID thus ensuring a clear balance of power with no one director holding unfettered decision-making power.

The LID is responsible for chairing the board's annual special corporate governance meeting, facilitating the conduct of the company secretary performance evaluation, providing regular formal feedback on progress against matters requiring improvement and acting as chair where the board chair is conflicted or unavailable.

## Insider trading and dealings in shares

The board adheres to a strict policy and process for dealings in the group's shares, and directors (as well as the company secretary and assistant company secretary) cannot trade during closed and prohibited periods.

The chair must approve any director share dealings which are then disclosed in terms of the listings requirements, and share dealings by senior management must be approved by the CEO and company secretary.

Directors and associates are notified in advance of all closed and prohibited periods and adherence to the requirements of and restrictions on trade are carefully managed.

## Conflicts of interests

Directors are obliged to avoid conflicts of interest, both actual and potential, and always act in the best interests of the group. Directors update their conflicts of interest registers when changes occur and review them at least quarterly before each board meeting. For transparency, updates to directors' registers are included in each board pack and directors are required, or are asked, to recuse themselves from any agenda item in respect of which there may be a conflict. Where conflicts of interest cannot be avoided, they are proactively and appropriately managed. Before a director accepts additional commitments, the director discusses with the chair as to whether there is any conflict of interest which will impact the director's ability to exercise their duties to the group following such appointment.



### Meeting attendance

The board meets formally four times a year, with a separate focused offsite strategy session held as required. The board convenes virtually in July to review the 13-week trading update and in January to review the Q3 trading update; and on an ad hoc basis when necessary. The committees meet formally three times a year and on an ad hoc basis if needed. In addition, ACC and Remnomco have short committee sessions during the March board meeting to address focused agenda items before financial year-end. During the reporting period both the board and ACC each held one extraordinary meeting to approve the FY2023 financial statements. A separate corporate governance meeting is held in November to deal with governance matters. This ensures enough time is available in the other meetings to

focus on matters of strategic importance. Directors' attendance of the board and committees meetings of which they are members is consistently high. If there is a meeting timing conflict which cannot be resolved, the relevant director notifies the board chair and company secretariat well in advance to tender apologies and provide, where applicable, input through the chair ahead of said meeting. There were no unexpected apologies during the reporting period. Although non-member director attendance at committee meetings is not reflected in the table, attendance is also consistently high, facilitating transparency and robust, informed deliberations to allow for integrated thinking and decision making.



### COMMITTEE MEMBERSHIP AND ATTENDANCE FY2024

Name	Board	Extraordinary board meetings	Board strategy session	AGM	Special Corporate Governance	ACC*	Extraordinary ACC meeting <sup>2</sup>	Remnomco*	RITC*	SETS*	Overall attendance
<b>Executive</b>	Mark Blair	4/4	1/1	1/1	1/1	1/1			3/3	3/3	100%
	Praneel Nundkumar <sup>3</sup>	3/3		1/1	1/1	1/1			2/2		100%
	Mark Stirton <sup>4</sup>	1/1	1/1						1/1		100%
<b>Non-executive</b>	Stewart Cohen	4/4	1/1	1/1	1/1	1/1					100%
	Keith Getz <sup>5</sup>	2/2	1/1					2/2		2/2	100%
	Steve Ellis <sup>6</sup>	2/2	1/1								100%
<b>Independent non-executive</b>	Nigel Payne	4/4	1/1	1/1	1/1	1/1		3/3	3/3		100%
	Mark Bowman	4/4	1/1	1/1	1/1	1/1	4/4	1/1	3/3		100%
	Daisy Naidoo	4/4	1/1	1/1	1/1	0/1	4/4	1/1	3/3	3/3	95%
	Harish Ramsumer <sup>7</sup>	3/3		1/1	1/1	1/1	3/3		2/2		100%
	Jane Canny <sup>8</sup>	4/4	1/1	1/1	1/1	1/1			3/3	1/1	100%
	Lucia Swartz <sup>9</sup>	4/4	1/1	1/1	1/1	1/1		3/3		3/3	100%
	Mmaboshadi Chauke <sup>10</sup>	2/2	1/1		1/1	1/1	2/2	1/1			100%
	Neill Abrams <sup>11</sup>	2/2	1/1	1/1		1/1					100%
	Refilwe Nkabinde <sup>12</sup>	0/1 <sup>13</sup>					1/1				50%
<b>Alternate<sup>15</sup></b>	Richard Inskip <sup>14</sup>	3/3		1/1	1/1	1/1		1/1			100%
	Neill Abrams <sup>15</sup>	1/2	1/1			0/1					50%

- 1 Extraordinary board meeting held for the approval of the FY2023 financial statements
- 2 Extraordinary ACC meeting held for the approval of the FY2023 financial statements
- 3 Appointed 1 August 2023
- 4 Stepped down 31 July 2023
- 5 Retired by rotation 30 August 2023
- 6 Retired by rotation 30 August 2023
- 7 Appointed 1 July 2023
- 8 Appointed member of SETS 1 September 2023
- 9 Appointed chair of SETS 31 August 2023
- 10 Resigned 30 September 2023
- 11 (i) Transitioned from alternate director to non-executive director 1 September 2023, and (ii) appointed member of RITC 1 December 2023
- 12 Appointed 1 December 2023
- 13 As agreed prior to appointment, apologies were noted in advance for the March 2024 board meeting
- 14 Appointed 1 July 2023
- 15 This reflect Neill's attendance only as an alternate director, alternate Directors are not required to attend each meeting prior to transition from alternate to non-executive director.

**Key:** ■ Chair ■ Member

\*Executive committee members, key trading division and centres of excellence senior management, and external and internal auditors are permanent invitees to the relevant committee meetings (as per the committee mandates located on the group's website [www.mpricegroup.com](http://www.mpricegroup.com)). This creates transparency through direct access to management and facilitates robust discussions, which enables the board and committees to make more informed, better decisions.

## Performance evaluations

The performance of the board and its committees is monitored through a formal process facilitated by the company secretariat. Detailed performance evaluations of the board, chair, each director, each of the committees and the respective members and chairmen are conducted every other year with improvements formally documented and monitored until the next full evaluation. The scope of the assessments cover governance requirements such as conduct of board and committee meetings, people factors including contribution and interactions with management, business specific issues relating to strategic direction, matters material to the group and living the group values.

Due to the director changes which took place during the reporting period, the board agreed to postpone the director evaluation to enable the new directors to settle into their roles and the new board dynamic to develop, so feedback received from the newly appointed directors is substantive and based on actual experiences and interactions with the board, and feedback from existing directors factors in developments after the changes. The evaluations will commence in August 2024 for feedback at the November 2024 Special Corporate Governance meeting. Overall, the board, its committees and members function efficiently and discharge their responsibilities as the group's custodians of corporate governance and as required in terms of King IV™.

Annually Remnomco, taking into account feedback from (i) the board and honorary chair in the case of the CEO, and (ii) ACC review in the case of the CFO, assess the performance of both the CEO and the CFO. Remnomco and the board are satisfied with the performance of both executive directors (see pages 189 - 190 of the [remuneration report](#) detailing performance of the executive directors).

## Delegation to management

Authority to implement and execute approved strategy is sequentially devolved as depicted in the [governance framework](#) on pages 139 and 140, and formally to management through the delegated limits of authority document. These limits of authority are reviewed annually by management and the board to ensure they remain aligned to the group's risk appetite and strategy and appropriately balance governance oversight with operational efficiency. Adjustments are also made on an ad hoc basis to facilitate operational requirements. The board is satisfied holistically that the governance framework and delegated limits of authority provide role clarity and contribute to effective exercise of authority. As part of continuous monitoring and improvement, the formal delegation document and governance framework were updated during FY2024.



## Chief executive officer

The CEO, together with the CFO, collectively exercise executive control over, and management of, the group and its trading divisions and centres of excellence. The CEO had no professional commitments outside the group during the reporting period.

The CEO does not have a fixed-term contract, but has a notice period of six months as stipulated in his engagement letter. Emergency succession and succession planning for the CEO role over the long-term is in place.

## Company secretary

The performance of the company secretary for the FY2024 reporting period was formally reviewed in June 2024 in compliance with paragraph 3.84(h) of the listings requirements.

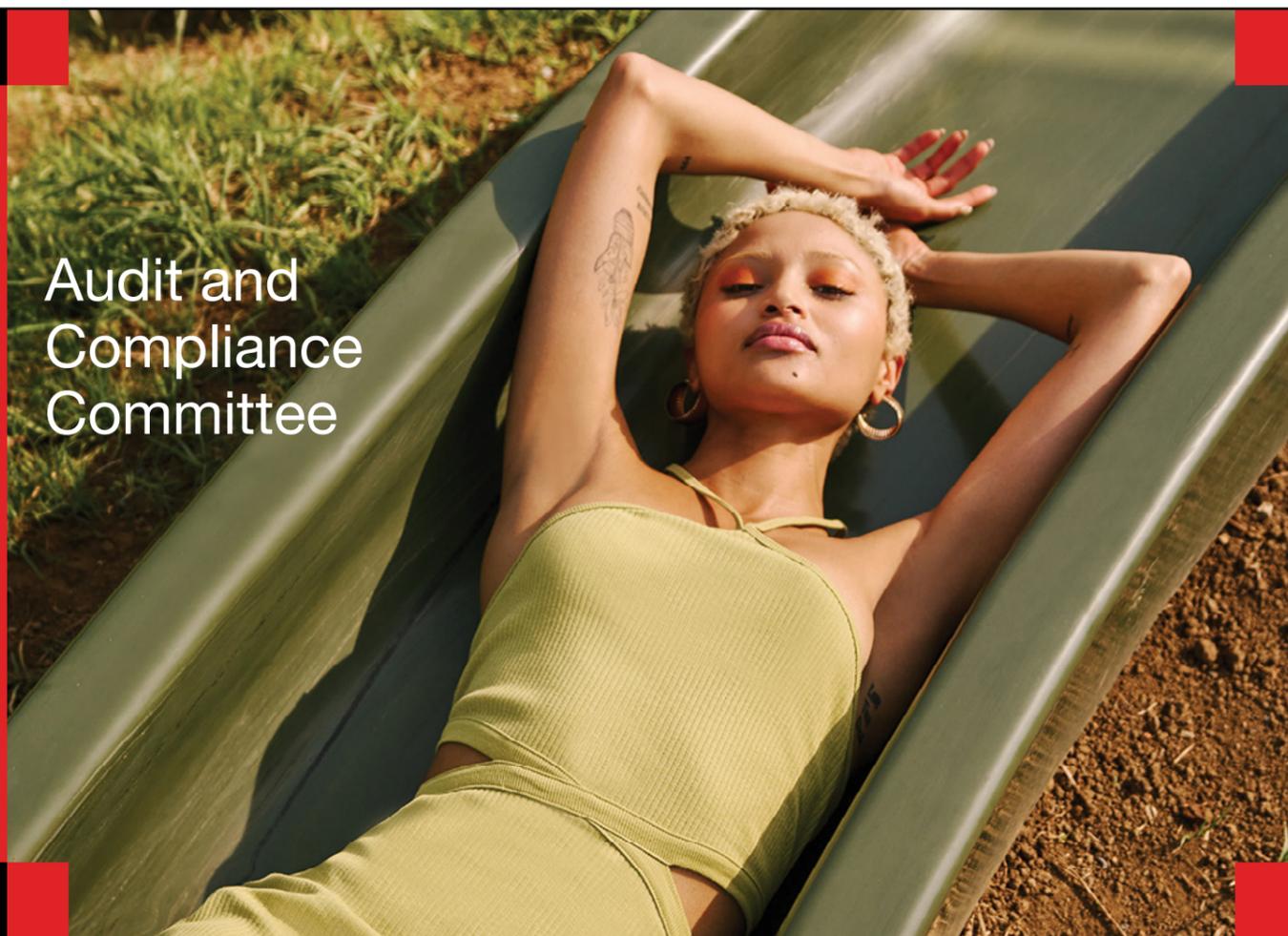
The board is satisfied Janis Cheadle, who also leads the group ESG function, has the competence, qualifications and experience necessary to effectively discharge her responsibilities and, for the reporting period, she performed her duties and provided appropriate professional corporate governance guidance to the board at an arms-length basis.

## Key focus areas | FY2024

- Assessing effectiveness of the group’s combined assurance arrangements
- Conducting the suitability assessment of the external auditor and audit partner in relation to Deloitte & Touche’s appointment for the reporting period
- Overseeing ongoing regulatory, tax, legal, compliance and credit matters
- Considering the impact of the listings requirements amendments on financial reporting and compliance
- Monitoring the effectiveness of internal financial controls to support managements’ internal financial control attestation
- Monitoring compliance activities to ensure no material breaches of relevant legislation
- Monitoring and supporting the CFO transition
- Monitoring the transition of Deloitte & Touche in their first year as external auditors following mandatory audit firm rotation



## Audit and Compliance Committee



### Chair

Daisy Naidoo (retiring 30 August 2024)

### Members

Mark Bowman, Harish Ramsamer (appointed 1 July 2023, chair from 30 August 2024), Refilwe Nkabinde (appointed 1 December 2023)

### Role

The committee is constituted as a statutory committee in respect of its duties in terms of section 94(7) of the act and has been delegated the responsibility to provide meaningful oversight of the internal and external audit, finance and compliance functions. The committee mandate is published on the group’s website [www.mrpricegroup.com](http://www.mrpricegroup.com). The committee members, their qualifications and experience, the number of meetings held and attendance at meetings are detailed on pages 151 - 152 and 135 - 136 respectively.

The committee provides independent oversight of the effectiveness of the group’s assurance and compliance functions and services, with particular focus on combined assurance arrangements (including external assurance service providers, internal audit and the finance function) and the integrity of the annual financial statements and, to the

extent delegated by the board, other external reports issued by the group. In doing so, it assists the board to discharge its responsibility to:

- Safeguard the group’s assets
- Operate adequate and effective systems of internal controls, financial risk management and governance
- Issue materially accurate financial reporting information and statements in compliance with applicable legal and regulatory requirements and accounting standards, including financial impact of
- Monitor compliance with laws, regulations and adopted non-binding rules, codes and standards
- Provide oversight of the external and internal audit functions

### Committee statement

The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the 2024 financial year, including duties in terms of the act, listings requirements and King IV™.

Having given due consideration, the committee believes and confirms that Praneel Nundkumar, who is the financial director and carries the title CFO, possesses the appropriate expertise and experience to effectively fulfil his responsibilities. The committee is also of the view that the group’s financial function incorporates the necessary expertise, resources and experience to adequately and effectively carry out its role.

# Remuneration and Nominations Committee



## Key focus areas | FY2024

## Future focus areas

### Executive remuneration:

- Approval of total packages for executive directors
- Approval of STI structure with performance criteria linked to financial performance, strategic KPIs and leadership
- Approval of LTI awards and performance conditions, including, on the recommendation of SETS, the ESG scorecard (sustainability KPIs) applicable to LTIs
- Review and approval of STI and LTI outcomes for the period ending 30 March 2024

### Associate remuneration:

- Transition to a cost to company remuneration model and review of current associate benefits across the group
- Commencement of review of STI structures to align with the transition to the cost to company remuneration model
- Monitor the implementation of the Paterson job evaluation system across the group to ensure consistency

### Other activities:

- Ongoing board refresh and skills focus including implementing various NED changes and supporting management on the CFO change. Details of these changes are on page 135
- Addressing the potential impact of the macro economy, including, inflation and rising interest rates, on the organisation's performance and possible consequences on remuneration and retention
- Associates were provided with continued and additional wellness support
- Leadership succession planning
- Engaging with and responding to shareholder remuneration questions ahead of the August 2023 AGM

### Executive remuneration:

- Review of the STI structure with performance criteria linked to financial performance, strategic KPIs and leadership
- Review and approval of LTI awards and performance conditions which will include recommendations from SETS in relation to ESG (i.e. non-financial) metrics. A balanced scorecard approach is already in place and LTI performance conditions will be reviewed annually before LTIs are issued to ensure alignment with shareholder interests and consideration of shareholder feedback received via engagement sessions

### Associate remuneration:

- Finalise and monitoring the transition to the cost to company model in FY2025
- Continued monitoring of the Paterson job evaluation system across the group to ensure consistency and fairness in associate pay
- Enhancements on employee value propositions with continued and additional wellness support for associates

### Other activities:

- Develop the group's pay scales to ensure fair pay principles that address the pay of all associates in a fair and responsible manner
- Harmonising store incentive structures across the group
- Review of the group's remuneration philosophy post the cost to company conversion, with an emphasis on the retention of key talent, critical and scarce skills
- Continued evaluation and review the total reward philosophy and various components post the cost to company transition and reconsider the group's reward principles in light of pay mix, striking an appropriate balance between fixed remuneration and performance-based remuneration (STI and LTI)
- Develop a remuneration roadmap for acquired businesses
- Address the potential impact of the macro economy on the organisation's performance and possible consequences on remuneration and retention
- Conduct a wage gap analysis exercise and approve plans to correct where a gap exists
- Monitor board and executive leadership succession planning
- Continued monitoring of the composition of the board to ensure it is fit to support the delivery of strategy and value creation through deliberate identification and addition of board skills required to achieve this. Ongoing succession planning for the board with a focus on skills and diversity

### Chair

Mark Bowman

### Members

Keith Getz (retired 30 August 2023), Lucia Swartz, Nigel Payne, Richard Inskip (from 1 December 2023).

### Role

The board aims to deliver the most desirable outcomes and practices that appropriately balance the interests of all stakeholders in a transparent and integrated manner, while overseeing the composition and performance of the board and its committees. The committee oversees the group's approach to remuneration to maintain fair, equitable and responsible remuneration in line with the group's strategy. In addition, the committee is responsible for ensuring that remuneration processes are consistent and aligned, thus ensuring the talent required to achieve the group's vision and strategy is attracted, motivated, retained and rewarded.

The committee members, their qualifications and experience, the number of meetings held and attendance at meetings is detailed on pages [151 - 152](#) and [135 - 136](#).

The committee's remuneration report is structured as follows:

- Background statement Page 167
- Remuneration policy Page 172
- Remuneration implementation report Page 188

### Committee statement

The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the 2024 financial year, including duties in terms of the act, listings requirements and King IV™.

# Risk and IT Committee



## Key focus areas | FY2024

## Future focus areas

- Overseeing the group's planning and response to the Durban port delays in late 2023
- Continued monitoring and ensuring timely insurance renewals and residual claims from the July 2021 civil unrest
- Overseeing the integration of ERM in the strategy review process
- Continued monitoring to achieve a more integrated, proactive and continuous ERM
- Supporting management on the group's energy response plan (loadshedding first mitigation)
- Overseeing technology innovation, through the migration of significant portions of the legacy application base to modern cloud solutions and further maximising investments already made while simplifying the overall technology landscape
- Continued monitoring of the group's unified security operations programme to further innovate and streamline all prevention, detection, analysis and response efforts and provide improved visibility into the immediate threat landscape
- Overseeing delivery on strategic technology projects that enable the achievement of the group's vision and strategy
- Guiding continued investment in automation capabilities to facilitate associates focusing on more value adding activities
- Supporting investment in further data analytics skills to build required reporting that creates actionable insights, and increase the adoption of data-led decision making across the group

- Continuous enhancement of the group's combined assurance framework
- Assessment on the movement of strategic risks (elevation and reduction) and the group's response thereof
- ERM methodology enhancements with linkage to strategy achievement
- Continued monitoring of the group's response to the South African energy crisis
- Resilience and crisis management
- Continued monitoring of risk appetite and tolerances
- Monitoring developments in advanced data analytics, machine learning, and natural language processing to enhance customer experience, personalisation, product recommendation, pricing and forecasting
- Oversee investment in customer-centric solutions using digital platforms and tools to build and maintain long-term relationships with customers, increase retention and loyalty, while offering rewards and incentives
- Oversee the introduction of enhanced application capabilities to support enhanced merchandise processes from product development to customer engagement
- Continued oversight of the implementation of the cyber security roadmap

### Chair

Nigel Payne

### Members

Daisy Naidoo, Jane Canny, Harish Ramsumer (appointed 1 July 2023), Mark Blair, Praneel Nundkumar (appointed 1 August 2023), Neill Abrams (appointed 1 December 2023)

### Role

The Committee has been delegated responsibility for governing and overseeing the risk, information and technology (IT) activities of the group. The RITC mandate is available on the group's website [www.mrpricegroup.com](http://www.mrpricegroup.com).

The committee is responsible for assisting the board in its oversight of risk, reviewing the group's risk appetite and risk profile in relation to strategy, reviewing the effectiveness of the group's risk management framework and the methodology used in determining the group's risk profile and respective responses. The committee's responsibility is to ensure that risks and opportunities are considered and managed in a manner that influences and fulfils the setting and achievement of the group's strategy (detailed in the **enterprise risk management (ERM) section** on pages 97 to 104 and **material matters section** on pages 105 to 110). The committee members, their qualifications and experience, the number of meetings held and attendance at meetings is detailed on pages **151 - 152** and **135 - 136**. To fulfil its role, the committee oversees management's implementation and execution of effective risk management which includes mitigation responses to key risks, reducing risks to within risk tolerance, insurance cover, business resilience, IT risk management and related assurance mechanisms. In addition, the committee plays an oversight and advisory role over the group's IT strategy and execution.

### IT governance

The management of IT within the group is a complex process that involves several toolsets and forums within the Technology and Advance Centres of Excellence (COEs). By monitoring progress, identifying issues and making informed decisions, the organisation can achieve its goals and objectives, mitigate risks, remain compliant and remain competitive in the marketplace. These functions are responsible for ensuring that IT is being used effectively and efficiently. Various mechanisms are used to achieve this, including:

- Project Control Board: monitors strategic and business as usual projects in terms of scope, timeline, budget and resources on a biweekly basis. This ensures that projects are progressing as planned, or issues are escalated appropriately
- Architecture Design Authority: reviews and approves the conceptual architecture design for new projects or changes to existing systems. The frequency of these sessions is weekly and queries raised in the session can be submitted to the forum for round robin review
- The Enterprise Architecture Forum: forum is focused on maturing the architecture practice and is responsible for enterprise roadmap planning, including monitoring of progress and changes to these roadmaps. It serves as a governance body for the continuous improvement and efficiency of the architecture capability. The forum meets every month
- IT executive committee: oversees key IT matters on a bi-weekly basis. This includes monitoring the progress of ongoing projects, reviewing departmental budgets and resources, and making decisions related to IT strategy and operations
- Technology divisional board meeting: attended by the managing directors of all trading divisions and relevant COEs and reports on key items, SLAs, strategic and business as usual projects and progress, including risks and KPIs, every quarter. This helps to ensure that the organisation's technology strategy, which is aligned with the business objectives, is tracking as expected
- Executive committee: monitors strategic projects and provides investment approval for technology business cases, and monitors ROI on technology investments

All key IT matters are subsequently reported to the RITC.

### Committee statement

The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the 2024 financial year. The committee confirms there were no major technology incidents or significant security breaches during the reporting period.

# Social, Ethics, Transformation and Sustainability Committee



## Chair

Lucia Swartz (from 31 August 2023)  
Keith Getz (retired 30 August 2023)

## Members

Daisy Naidoo (retiring 29 August 2024), Mark Blair, Jane Canny (from 1 September 2023)

## Role

The committee is constituted as a statutory committee in respect of its duties in terms of section 72(4) and regulation 43(1) of the act and a committee of the board in respect of additional duties assigned to it. The committee mandate is available on the group's website [www.mrpricegroup.com](http://www.mrpricegroup.com).

The committee members, their qualifications and experience, the number of meetings held and attendance at meetings is detailed on pages 151 - 152 and 135 - 136 respectively. The committee is responsible for fulfilling the functions set out in the act and provides oversight of and reporting on organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships. It reviews and monitors sustainable business practices (including social and environmental practices, corporate citizenship and social investment), business ethics and transformation, to ensure that the business achieves its strategic imperatives responsibly and ethically. This also encompasses an overview of labour practices to ensure fairness and monitoring the group's commitment to promoting and protecting human rights. As a responsible citizen the group aims to build a business in support of its strategy to sustainably protect, create and enable environmental, social and economic value. Meaningful stakeholder engagement, together with impact assessments and materiality, guide the formulation of appropriate and relevant business responses. The group's sustainability approach and strategy can be found on pages 9 to 14 of the [sustainability report](#).

As delegated by the board, the committee oversees and guides the achievement of this strategy, which is owned and managed by the group's ESG Centre of Excellence, supported primarily by the People Centre of Excellence (in respect of transformation and elements of social matters) and Mr Price Foundation, and implemented across operations by the group's trading divisions. Sustainable value creation across social, environmental, economic and governance elements is integrated through the group's retail operations and performance against key defined targets is included in management's performance indicators for both STIs and LTIs.

Further information on the ESG scorecard applicable to the LTIs can be found on page 18 of the [sustainability report](#) and page 183 of the [remuneration report](#).

## Key focus areas | FY2024

- Strengthening and monitoring the progress of the group's transformation strategy in support of its transformation targets
- Supporting management in settling the adjusted organisational design structure
- Achieving top employer certification with the Top Employers Institute
- Monitoring material legislative developments including the Employment Equity Amendment Bill and sector targets and promulgation of the South African Climate Change Bill
- Monitoring the group's organisational health index, including the results of its associate engagement survey
- Overseeing and monitoring the management, investigation and resolution of complaints reported through the group's FairCall whistleblowing functionality
- Reviewing and approving the group's B-BBEE targets for the financial year and the approach to developing the Studio 88 B-BBEE accreditation roadmap
- Overseeing progress in developing the group's climate change plan
- Monitoring the investment and development of key South African suppliers through supplier development initiatives
- Observing progress of sustainability indicator measurement and reporting in acquired businesses
- Approving and recommending to Remnomco the ESG scorecard applicable to LTI awards made during the financial year
- Considering the International Sustainability Standards Board's (ISSB's) IFRS S1 and IFRS S2 reporting disclosure standards and the Taskforce on Nature-related Financial Disclosures released during the reporting period, and overseeing management's proposed approach to adoption
- Approving and monitoring progress against KPIs and targets to support the sustainability strategy

## Future focus areas

- Supporting the settling in of the newly-appointed Mr Price Foundation executive director
- Reviewing and approving the Studio 88 B-BBEE accreditation roadmap
- Continued monitoring of the group's organisational health dashboard
- Continued monitoring of the progress of the group's transformation strategy in support of its transformation targets
- Considering and approving the climate change plan, initial targets and actions to reduce greenhouse gas emissions
- Overseeing progress towards adoption and assurance readiness for ISSB's IFRS S1 and IFRS S2 reporting standards



## Committee statement

The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate and the act for the 2024 financial year. The committee chair will be available at the AGM to answer any questions relating to the committee's statutory obligations.



# Administration and Contact Details

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## Company Secretary and Registered Office

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## Domicile and Country of Incorporation

Republic of South Africa

## Sponsor

Investec Bank Limited

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### Matthew Warriner

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## Registration Number

1933/004418/06

## Independent Auditors

FY2024 Deloitte & Touche

## Transfer Secretaries

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