

Social, Ethics, Transformation and Sustainability Committee Mandate

1. Introduction

- 1.1. The Social, Ethics, Transformation and Sustainability Committee (Committee) is constituted as a statutory committee of Mr Price Group Limited (the Company or Group) in terms of section 72(4) of the Companies Act 71 of 2008 (as amended) (Companies Act) read with regulation 43 of Companies Act regulations (Regulations), and as a committee of the board of directors (Board) in respect of all other duties assigned to it by the Board. References herein to the Companies Act shall mean the Companies Act or the Regulations, or both, as the context requires.
- 1.2. The Committee thus derives its authority from the Companies Act and the Board.
- 1.3. The duties and responsibilities of the members of the Committee as set out in this mandate are in addition to those duties and responsibilities that they have as members of the Board. The deliberations of the Committee do not reduce the individual and collective responsibilities of the directors in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their legal obligations.
- 1.4. This mandate is subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

2. Composition and tenure

- 2.1. The Committee must comprise not less than three directors or prescribed officers (as defined in the Companies Act) of the Company. At least one member must be an executive director, but with the majority of members being non-executive directors.
- 2.2. The Committee members shall be appointed by the Board.
- 2.3. The Committee must as a whole have the necessary knowledge, skills, experience and capacity to fulfil its duties.
- 2.4. The Board shall annually appoint a non-executive director to chair the Committee. The chair of the Board shall not be the Committee chair (but may be a Committee member).
- 2.5. The Committee has an indefinite tenure, unless otherwise determined by the Board or applicable law or regulatory provision and subject to the evaluation of the Committee.

3. Authority

- 3.1. The Committee has the power to make decisions regarding its statutory duties and is accountable for its performance in this regard. The Board remains ultimately accountable for responsibilities delegated to the Committee and retains the power to make decisions in this regard.
- 3.2. The Committee may consult with specialists or consultants, at the Company's cost, to assist it with the performance of its functions, but must consult with either the Board chair or lead independent director prior to doing so. Such specialists or consultants may be invited to present at Committee meetings on matters in respect of which they have been consulted, but may not vote.
- 3.3. The Committee has the power to investigate any activity within the scope of this mandate.
- 3.4. The Committee is, in terms of s72(8) of the Companies Act, entitled to:
 - 3.4.1. require from any director or prescribed officer of the Company any information or explanation necessary for the performance of the Committee's functions;
 - 3.4.2. request from any associate of the Company any information or explanation necessary for the performance of the Committee's functions;
 - 3.4.3. attend any general shareholders meeting;
 - 3.4.4. receive all notices of and other communications relating to any general shareholders meeting; and
 - 3.4.5. be heard at any general shareholders meeting contemplated in this paragraph on any part of the business of the meeting that concerns the Committee's functions.
- 3.5. The Company must, in terms of section 72(9) of the Companies Act, pay all the expenses reasonably incurred by the Committee, including, if the Committee considers it appropriate, the costs or the fees of any consultant or specialist engaged by the Committee in the performance of its functions.
- 3.6. The Committee may form, and delegate authority to, subcommittees, one or more designated members of the Committee or to one or more members of the executive of the Company.

4. Role and responsibilities

- 4.1. The Committee has statutory responsibility for the matters set out in the Companies Act.

- 4.2. In addition, the Committee has delegated responsibility for the oversight of and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships, and reviewing and monitoring the transformation and sustainability practices of the Group.
- 4.3. The Committee has an independent role with accountability to the Board and shareholders. The Committee is not an executive committee and as such it shall not perform any management functions or assume the functions of management.
- 4.4. In order to discharge their responsibilities, committee members are required to keep up-to-date with economic, legislative, governance, sustainability and other developments which impact the Committee's areas of oversight.

4.5. Social and Ethics

The Committee has the statutory function to monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to –

- 4.5.1. social and economic development, including the Company's standing in terms of the goals and purposes of:
 - 4.5.1.1. the 10 principles set out in the United Nations Global Compact Principles;
 - 4.5.1.2. the Organisation for Economic Co-operation and Development recommendations regarding corruption;
 - 4.5.1.3. the Employment Equity Act 55 of 1998, as amended; and
 - 4.5.1.4. the Broad-Based Black Economic Empowerment Act 53 of 2003, as amended;
- 4.5.2. good corporate citizenship, including the Company's:
 - 4.5.2.1. promotion of equality, prevention of unfair discrimination and reduction of corruption;
 - 4.5.2.2. contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - 4.5.2.3. record of sponsorship, donations and charitable giving;
- 4.5.3. the environment, health and public safety, including the impact of the Company's activities and of its products or services;
- 4.5.4. consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws; and
- 4.5.5. labour and employment, including:
 - 4.5.5.1. the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
 - 4.5.5.2. the Company's employment relationships, and its contribution towards the educational development of its employees.
- 4.5.6. In relation to delegated duties, the Committee also has the following responsibilities in respect of organisational ethics -
 - 4.5.6.1. setting the direction for the Group's approach to ethics;
 - 4.5.6.2. approving the code of conduct and ethics framework to give effect to the aforesaid and which address the Group's key ethical risks and encompass the Group's interaction with internal and external stakeholders and society, and which should include arrangements that familiarise associates and other stakeholders with the Group's ethical standards; and
 - 4.5.6.3. exercising ongoing oversight of the management of ethics to oversee that it results in the required outcomes.
- 4.5.7. The responsibility for implementation and execution of the code of conduct, which incorporates the Group's approach to ethics, is delegated to management.
- 4.5.8. In addition, the Committee has the following responsibilities in respect of ensuring that the Group is and is seen to be a responsible corporate citizen –
 - 4.5.8.1. setting the direction for how the Group should approach and address corporate citizenship;
 - 4.5.8.2. ensuring that the Group's corporate citizenship efforts include compliance with the Constitution of South Africa, the law, leading standards and adherence to its own code of conduct and policies;

- 4.5.8.3. overseeing that the Group's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen;
- 4.5.8.4. overseeing and monitoring, on an ongoing basis, how the consequences of the Group's activities and outputs affect its status as a responsible corporate citizen, which should be performed against measures and targets agreed with management in the areas of (i) workplace, (ii) economy, (iii) society and (iv) environment; and
- 4.5.8.5. monitoring the group's alignment with and prioritisation of the Sustainable Development Goals.

4.6. Transformation

- 4.6.1. The role of the Committee in relation to transformation is to monitor and report on the Group's business responsibility with respect to the implementation of transformation practices that are consistent with good corporate citizenship.
- 4.6.2. The Committee's scope of focus will be guided by the following:
 - 4.6.2.1. broad-based black economic empowerment (B-BBEE) requirements as described in the Department of Trade and Industry's Codes of Good Practice as published in the Government Gazette (including the Generic Scorecard therein contained), as amended or replaced from time to time;
 - 4.6.2.2. transformation legislation as set out in the Employment Equity and Skills Development Acts as amended or replaced from time to time;
 - 4.6.2.3. any other legislation which may from time to time be applicable to the transformation practices of the Group or the fulfilment by the Committee of its role in terms hereof;
 - 4.6.2.4. the Group's transformation commitments and requirements; and
 - 4.6.2.5. the Group's desired corporate citizenship codes and policies.
- 4.6.3. The Committee is responsible for the following –
 - 4.6.3.1. reviewing and monitoring the Group's progress towards the achievement of the desired Employment Equity, Skills Development and B-BBEE scorecard targets and transformation objectives;
 - 4.6.3.2. reviewing and monitoring the Group's management of transformation and B-BBEE principles in a manner that ensures sustainability of the business and the good reputation of the Company;
 - 4.6.3.3. reviewing and monitoring the goals and plans of the Group regarding transformation, it being recorded that:
 - 4.6.3.3.1. the People Centre of Excellence Board is principally responsible and accountable for the implementation and monitoring of the employment equity and skills development transformation practices of the Group;
 - 4.6.3.3.2. the People Centre of Excellence Board shall be assisted in its objectives by the Group Employment Equity and Skills Development Committee; and
 - 4.6.3.3.3. the Corporate Services and Sustainability Board is principally responsible and accountable for the implementation and monitoring of the Group's B-BBEE compliance.

4.7. Sustainability

- 4.7.1. The role of the Committee is to assist the Board with its overall sustainability responsibilities by:
 - 4.7.1.1. recommending relevant policies for approval;
 - 4.7.1.2. monitoring the implementation of policies;
 - 4.7.1.3. reviewing reports covering all substantive matters relating to sustainability issues;
 - 4.7.1.4. considering the reporting of sustainability issues; and
 - 4.7.1.5. considering all material and relevant issues that have a significant impact on the Group and its stakeholders.
- 4.7.2. The Committee is responsible for overseeing the development and implementation of a Board approved sustainability strategy, including appropriate measurement targets which:
 - 4.7.2.1. monitor and report on the Group's stakeholder engagement initiatives in respect of social and environmental issues;
 - 4.7.2.2. monitor management's sustainability initiatives and reporting; and
 - 4.7.2.3. report on sustainability issues, targets and progress to the Board.

- 4.7.3. In conjunction with the Audit and Compliance committee, the Committee must review the disclosure of sustainability issues in the annual integrated report to ensure that it is reliable and does not conflict with the financial information.
- 4.7.4. The Committee is to recommend to the Board whether or not to engage an external assurance provider on material sustainability issues.

5. Meetings and procedures

5.1. Agenda and Minutes

- 5.1.1. The Committee must establish an annual diary to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 5.1.2. The company secretary shall be responsible for, together with the chair of the Committee, determining the agenda and circulating the meeting agenda, minutes, and supporting material to all Committee members and invitees at least one week prior to each scheduled meeting.
- 5.1.3. Committee members must be fully prepared for Committee meetings to provide appropriate and constructive input on matters discussed.
- 5.1.4. The minutes of the Committee should be completed by the company secretary as soon as reasonably possible after the meeting and circulated firstly to the Committee chair for input and thereafter to members of the Committee for review.
- 5.1.5. The minutes must be formally approved by the Committee at its next scheduled meeting and signed by the chair of the Committee. These should be distributed to all Board members for information purposes.

5.2. Frequency

- 5.2.1. The Committee must hold sufficient scheduled meetings to discharge all its duties as set out herein but subject to a minimum of two meetings per year.
- 5.2.2. Meetings in addition to those scheduled may, with approval of the Committee chair, be held at the request of executive management or at the instance of the Board.

5.3. Attendance

- 5.3.1. Committee members shall attend all scheduled meetings of the Committee, including meetings called on an ad hoc-basis for special matters.
- 5.3.2. Executive management, other assurance provider or professional advisor of the Company may be in attendance at Committee meetings, by invitation, at the reasonable discretion of the Committee chair, but may not vote. The Chief People Officer, ESG Director and Group Ethics Officer are permanent invitees to Committee meetings, but similarly may not vote. The permanent invitee may change from time to time as determined by the Committee.
- 5.3.3. Any director of the Company is entitled to attend Committee meetings as an observer. However, such directors are not entitled to participate without the consent of the chair, and do not have a vote.
- 5.3.4. The company secretary is the Committee secretary.
- 5.3.5. If the nominated chair of the Committee is absent from a meeting, the members present must elect one of the members present to act as chair for the duration of that meeting.

5.4. Quorum

- 5.4.1. A quorum for meetings is a majority of members present (either in person or by electronic means), provided that if the Committee consists of an even number of members a quorum shall be constituted if fifty percent of such members are present.
- 5.4.2. Persons in attendance at Committee meetings by invitation do not form part of the quorum.
- 5.4.3. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.4.4. Each member shall have one vote at any meeting of the Committee and all decisions are taken by simple majority.

6. Reporting and disclosure

- 6.1. After each meeting the chair shall report to the Board on its proceedings, activities, issues and related recommendations and on all significant matters within its duties and responsibilities as set out in this mandate.
- 6.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed.

- 6.3. The Committee shall report, through its chair (or, in his/her absence, a Committee member), to shareholders at the Company's AGM on the matters within its mandate.
- 6.4. The Committee shall compile a report to stakeholders on its activities to be included in the Company's annual integrated report, which report shall include the necessary disclosure items.
- 6.5. The Committee shall consider annually for the reporting period whether it is satisfied that it has fulfilled its responsibilities in accordance with the Companies Act regulations and this mandate, and shall disclose whether it is so satisfied and that there are no instances of material non-compliance that require disclosure.
- 6.6. If instances of material non-compliance exist, these items must be disclosed.

7. Evaluation and review

- 7.1. At least annually the Committee will consider, reflect and discuss its performance and that of its chair and its members as a whole. This will be done having regard to the progress against the Steps documents referred to below.
- 7.2. Every two years (or as deemed necessary by Board, together with the Remuneration and Nominations committee (Remnomco)) a formal evaluation process will be conducted. This process will be led by the company secretary and may take the form of a questionnaire, interviews, feedback from relevant stakeholders or any other form as may be determined by the Board in conjunction with Remnomco.
- 7.3. The results of the evaluation process will be formulated by the company secretary into a Steps document which sets out the feedback received, the proposed areas requiring improvement and the steps required to effect the improvements. The Committee Steps documents will be discussed with the chair who will provide feedback and input on the Steps documents which will then be considered and discussed by the Committee and the Board.
- 7.4. If so decided by the Board and Remnomco an evaluation process which is either externally facilitated or different to the normal methodology may be followed.
- 7.5. This mandate and the Committee diary will be reviewed annually by the Committee and the Board.

Approved 22 November 2022.



K Getz

Social Ethics, Transformation and
Sustainability Committee Chairman
Mr Price Group



NG Payne

Chairman
Mr Price Group