



MR PRICE GROUP LIMITED
BOARD TRANSFORMATION COMMITTEE
MANDATE

1. Nature:

- 1.1 The Board Transformation Committee (“the Committee”) is a formal sub-committee of the Board of Directors (“the Board”) of Mr Price Group Limited (“Mr Price”).
- 1.2 The duties and responsibilities of the members of the Committee are in addition to those as a member of the Board.

2. Composition and quorum:

- 2.1 The Committee shall consist of not less than three directors, but not more than six directors, appointed annually by the Board. A minimum of one executive director and two non-executive directors is required.
- 2.2 The Board shall appoint the Committee Chairman annually.
- 2.3 The Head of the People Team and the Head of Group Risk and Sustainability will always be invited to attend the meetings.
- 2.4 The chairperson or another member of the Committee shall attend the Annual General Meeting of Mr Price and be prepared to answer questions concerning the transformation and empowerment status of the company.
- 2.5 Any person may be invited to attend meetings of this Committee either on a permanent or an ad-hoc basis, at the discretion of the Committee. Any director of Mr Price is entitled to attend such meetings as he/she shall choose. Such invitee or director attendee will not be entitled to take part in the decision-making process of the Committee.
- 2.6 A quorum at meetings shall be three members personally present throughout the meeting, one of whom should be an executive director. In the event of there being only three Committee members, then two members, one of whom should be an executive director, shall be a quorum. Attendees by video or teleconferencing facilities shall be included for quorum purposes. In the event of no quorum being present, any decision shall be ratified by a properly constituted meeting of the Board.



3. Purpose of the Committee:

The role of this Committee is to assist Mr Price to discharge its business responsibility with respect to the implementation of transformation practices that are consistent with good corporate citizenship.

The Committee's scope of focus will be guided by the following:

- Broad-based Black Economic Empowerment (B-BBEE) requirements as described in the Department of Trade and Industry's Generic Scorecard and the associated Codes of Good Practice as published in the Government gazette in February 2007,
- Transformation legislation as set out in the Employment Equity and Skills Development Acts,
- Mr Price's transformation commitment and requirements, and
- Mr Price's desired corporate citizenship stance and external communication policy.

4. Responsibilities:

The Committee is responsible for performing all the functions as are necessary to fulfill its role as stated above and including the following:

- 4.1 To review and monitor progress towards the achievement of the desired B-BBEE scorecard targets and transformation objectives.
 - 4.1.1 The B-BBEE Action Plan shall be monitored and evaluated at every meeting of the Transformation Committee.
 - 4.1.2 The CEO, assisted by the Transformation Committee, is responsible and accountable for the establishment of a successful Action Plan, with clear milestones.
 - 4.1.3 The Chairman of the Transformation Committee, assisted by the Transformation Committee, will provide a progress report to each meeting of the Board on the achievement of the agreed short-term, medium-term and long-term transformation objectives.
- 4.2 To advise on transformation trends/ issues and their relevance for practice in Mr Price.



- 4.3 To identify, monitor and provide guidance on the management of transformation and B-BBEE principles in a manner that ensures sustainability of the business and the good reputation of Mr Price.
5. **Meeting procedures:**
- 5.1 The Committee shall hold meetings as and when necessary but at least twice in a year and prior to the Board meetings so that the Chairman can prepare the required progress report back.
- 5.2 Minutes shall be kept of the proceedings at each meeting.
- 5.3 Each member shall have one vote at any meeting of the Committee and all decisions shall be taken by simple majority. The Chairman shall not have a casting vote in the event of deadlock.
- 5.4 The Company Secretary will act as secretary for this Committee and shall be responsible for circulating the meeting agenda, minutes and supporting material to all Committee and Board members.
6. **Authority:**
- The Committee is authorized by the Board to investigate any activity within its term of reference. It is authorized to seek any information it requires from any associate and all associates are directed to co-operate with any request made by the Committee.
- 6.2 The Committee is authorized by the Board to obtain external professional opinion and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 6.3 Membership of the Committee must be reported in the Annual Report.
7. **Compliance:**
- 7.1 The Committee is required to assess, on an annual basis, if it has complied with its responsibilities as detailed in the terms of reference section.
- 7.2 The Committee will review, on an annual basis, the adequacy of the provisions of the terms of reference and recommend any amendments to the Board for approval.
8. **Evaluation:**
- The Board must perform an evaluation of the effectiveness of the Committee every year.



9. **Approval:**

This Committee Mandate was approved by the chairman of the Board and the chairman of the Committee on 16 May 2011.

The next annual review is due on 1 March 2012.

Approved this 16th day of May 2011.

AE McArthur
Chairman of the Board
Mr Price Group

SI Bird
Chief Executive Officer
Mr Price Group

RM Motanyane
Non-executive Director
Transformation Committee
Mr Price Group