IT Divisional Board Mandate

1. Purpose

1.1. The IT Divisional Board (ITDB) is responsible for implementing and executing effective information and technology ("IT") management and related investment priorities for the Mr Price Group (Group), in line with IT policy.

1.2. The ITDB derives its authority from the Risk and IT Committee (RITC), a committee of the board of directors (Board).

1.3. Members of the ITDB are appointed by the RITC and are accountable to the Board through the RITC.

1.4. The ITDB will:

    1.4.1. provide strategic leadership for IT through the alignment of IT strategic objectives and activities with Group strategic objectives and processes to support the achievement of same;

    1.4.2. prioritize IT investment initiatives and deliver final approvals and recommendations on proceeding with proposed IT projects; and

    1.4.3. ensure open communication between the IT department and the other functional units of the Group so as to promote collaborative IT planning and management.

1.5. The ITDB is not responsible in any way for the IT department's operating budget, associates, or any other aspect of day-to-day IT operations.

2. Composition

2.1. Members of the ITDB will be determined by the RITC from time to time and should include:

- the Group CEO as chair;
- the CFO;
- the Group IT Director as vice-chair;
- the Group Supply Chain Director; and
- any other members appointed by the RITC from time to time,

with the trading and support service division MD's and the CAE as permanent invitees.

2.2. All members of the ITDB are required to understand the IT department's policies, procedures and practices.

2.3. If any member is unable to attend at least 2 ITDB meetings in any twelve-month period, the chair will designate a replacement. If the chair is unable to attend at least 2 ITDB meetings in any twelve-month period, then the ITDB will appoint a replacement.

2.4. The ITDB may invite additional invitees to the meetings from time to time.

3. Role and responsibilities

3.1. The ITDB must manage IT such that it results in the outcomes as detailed in the practices incorporated in principle 12 of King IV, and ultimately achieves the governance outcome of supporting the Group in setting and achieving its strategic objectives.

3.2. The ITDB must ensure that the IT strategy is updated on a regular basis and is aligned to Group strategy.

3.3. The ITDB must agree and approve IT project prioritisation on a quarterly basis. Priorities for the large and medium categorised projects are determined at quarterly IT investment and prioritisation committee meetings, with small projects prioritised at monthly domain prioritisation meetings.

3.4. Proposals for new projects must follow a specific business case methodology as mandated by the ITDB. This methodology includes clear definitions of business requirements/ needs and a cost/benefit analysis.

3.5. These proposals may be presented and discussed outside of the ITDB meetings at the designated prioritisation meeting and included for ratification at the subsequent ITDB meeting.

3.6. If a proposed project has not been budgeted for in the annual approved budget, then RITC approval must be sought and obtained before such project proceeds beyond the scope and objectives phase, which includes a description of the business solution, benefits and return on investment, as well as project costs.

3.7. Electronic copies of all proposals will be made available to the members of the ITDB prior to the meeting, on a Share Point Site, under documentation edition and version control, by the designated project manager, at least 7 working days in advance of the ITDB meeting.

3.8. All proposals must be reviewed and approved for technological merit and fit to the documented IT architectural strategy, by the IT department.

3.9.	The ITDB has the authority to reject any proposal which it deems not to have made a sufficient business case or does not conform to the Group IT architecture and roadmap or which does not significantly contribute to the strategic goals of the Group.

3.10.	At each meeting, the ITDB will receive progress reports on all previously approved proposals and current projects. The ITDB can recommend the termination of any project which is not meeting its projected goals.

3.11.	Each year, the ITDB will provide the RITC with a report that reviews project progress for the previous financial year and set a priority list of projects for the coming financial year.

3.12.	The ITDB is responsible for monitoring the execution of the IT governance arrangements as well as ensuring compliance to applicable laws, regulations, policies and standards.

3.13.	The ITDB may consider receiving periodic, independent assurance on the effectiveness of the technology and information arrangements, including outsourcing.

3.14.	The ITDB should -
3.14.1.	ensure the management of information (including use, information architecture, protection of privacy and security);
3.14.2.	ensure security standards, policies, and processes are embedded across the Group;
3.14.3.	ratify the Disaster Recovery plan and test same on an annual basis;
3.14.4.	ensure that the enterprise architecture reflects all important requirements, including legal and regulatory compliance, ethics and business continuity;
3.14.5.	identify and report on IT key risks, specifically those that may impact the Group strategic objectives; and
3.14.6.	monitor service levels.

3.18	The ITDB shall annually prepare the necessary IT disclosure required for the annual integrated report. This disclosure will be prepared in accordance with King IV and will be reviewed and approved by the RITC.

## 4.	Delegation of authority

4.1.	The ITDB shall be entitled to delegate certain project decisions and operational matters to committees or steering committees as it deems fit and as is necessary to fulfill its roles and responsibilities. Such matters may include –
4.1.1.	investment decisions;
4.1.2.	project steering; and
4.1.3.	operating models and structural changes.

4.2.	The authority, roles and responsibilities devolved to these committees will be determined by the ITDB recorded in writing and reviewed as appropriate but at least once a year.

4.3.	The membership of these committees will be approved by the ITDB.

## 5.	Meeting procedures

5.1.	The ITDB shall meet on a regular basis and must hold sufficient meetings to discharge it's duties as set out in this mandate and at least 4 times per year.

5.2.	These meetings will be scheduled by the ITDB chairman or designated proxy.

5.3.	The agenda of ITDB meetings will include the following:
5.3.1.	review strategic imperatives of the IT division and approve any suggested adjustments
5.3.2.	review major projects in progress and discuss concerns – status, issues and risks;
5.3.3.	review and approve, decline, or defer new project proposals;
5.3.4.	review any changes in IT/business capacity;
5.3.5.	review the project priority list to consider adjustments; and
5.3.6.	review and approve the deployment of IT investments across the Group.

## 6.	Operational documents

6.1.	Documentation formats for the business case methodology are contained in the PMO framework and methodology.

6.2.	Development Life Cycle (SDLC) standards are complemented by the Change Request (CR) and PMO methodology.

6.3.	Technological acronyms, which are used sparingly, but which are unavoidable in the technology environment, are defined in a Share Point site, which can be extracted and distributed as required.

6.4.	Retail process acronyms, which are used in a specific manner within the Group, are defined in a Share Point site, which can be extracted and distributed as required.

6.5.	All governance related documentation, such as the policies governing security and access control, technology standards, investment processes and others, have been audited and are kept in a Share Point site, which can be extracted and distributed as required.

6.6.	Operation documentation for all business applications is kept in specific application directories.

6.7. Operational requirements for disaster recovery processes and business continuity processes are kept in s Share Point Site, which can be extracted and distributed as required.
6.8. The IT risk register is maintained by the IT department.

7. Review
The ITDB and the RITC will review the mandate annually.

Approved on 19 November 2018

SI Bird
Chief Executive Officer
Mr Price Group