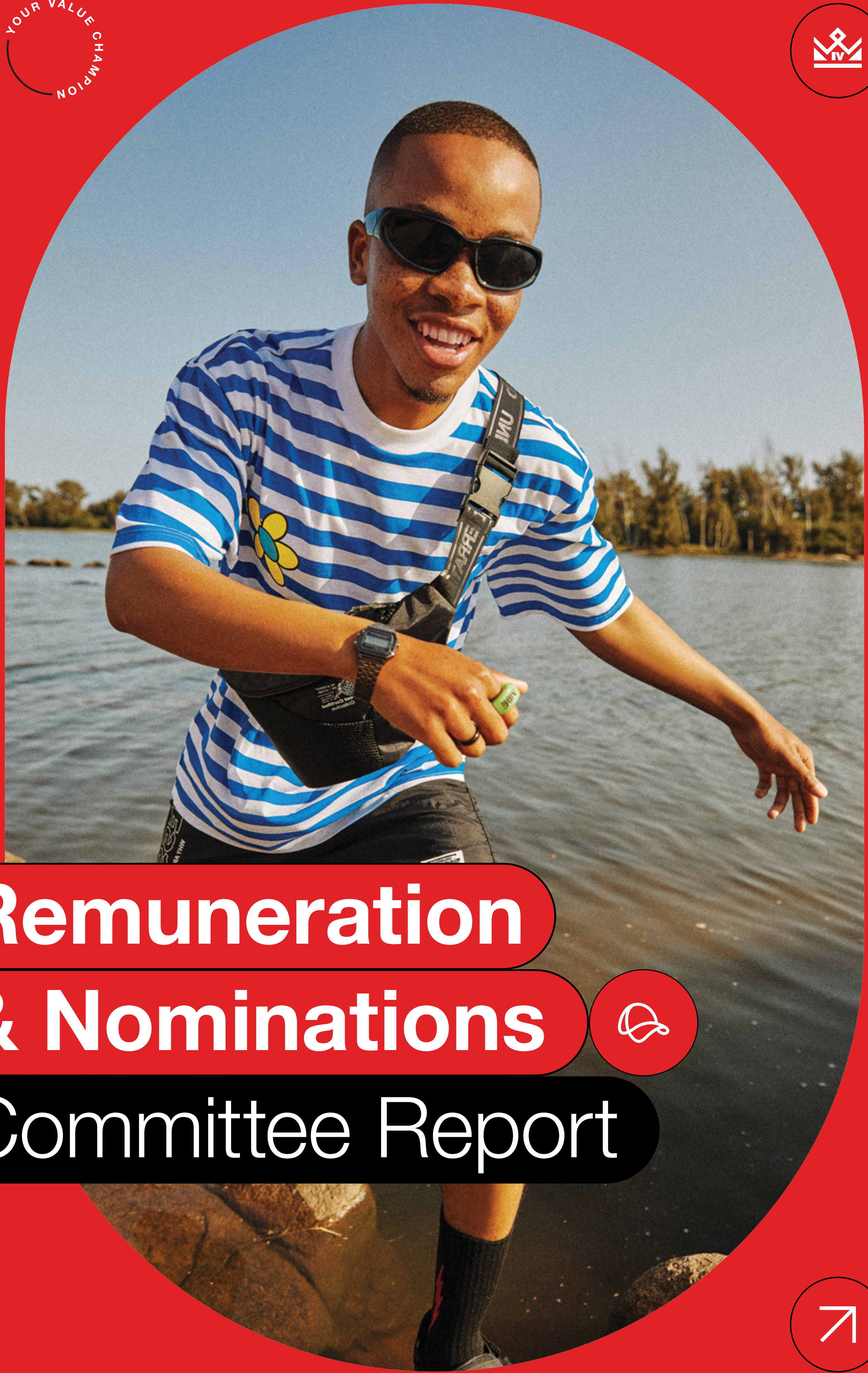
YOUR VALUE CHAMPION



Remuneration & Nominations Committee Report

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

CAPITALS	STAKEHOLDERS	STRATEGIC PILLARS	BUSINESS ACTIVITIES	SUSTAINABLE DEVELOPMENT GOALS
H, I, F				8, 10

KING IV™ GOVERNANCE OUTCOMES

Ethical Culture **Effective control**

Chair: Mark Bowman
Members: Keith Getz (retiring by rotation on 30 August 2023), Lucia Swartz, Nigel Payne

The committee is constituted as a committee of the board and has been delegated responsibility for overseeing the development of the remuneration policy and its implementation within the group and the nominations activities of the board. The committee mandate is available on the group's website at www.mrpricegroup.com.

The committee members, their qualifications and experience, the number of meetings held and attendance at meetings is detailed in the board report on pages 127, 128 and 138.

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 committee. 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's remuneration report is structured as follows:

Committee statement
The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the 2023 financial year, including duties in terms of the Companies Act, JSE Listings Requirements and King IV™.

Background Statement

Letter from the chair:

On behalf of the committee, I am pleased to present the group's Remuneration and Nominations Committee report for the 2023 financial year. Transparent and comprehensive reporting of directors' remuneration is an essential element of good corporate governance. This report contains a detailed overview of director remuneration as well as an overview of the wider workforce remuneration. The main objective of our remuneration policy is to attract, motivate, retain and reward top retail talent to deliver superior results. We take pride in a balanced approach to creating long term, sustainable value for investors while delivering a high-quality service for customers, a great place to work for our people and a meaningful, positive impact on the communities we operate in.

Performance and impact on remuneration
The April 2022 floods in KwaZulu-Natal as well as the ongoing, unprecedented loadshedding, inflation and rising interest rates, among other things, have led to more uncertainty and challenges to the country's economic recovery. Despite these challenges, the group's business model has proven resilient to date, underpinned by its differentiated cash-based, omni-channel, fashion-value retailer offering as well as the acquisition of Studio 88. The group has recognised the fight for key talent, critical and scarce skills. Although the group did not meet its financial objectives, this resulted in generally the non-payment of short-term incentives (STIs) to associates, however, there have been certain qualifying associates who received STIs based on key talent, critical and scarce skills. There were also some store associates and store managers who received monthly retail incentives. The group pays salaries in line with the market median of the approved comparator group and it rewards outperformance through its variable pay structures. The information included on remuneration structures is for group divisions prior to the recently concluded acquisitions. Power Fashion, Yuppiechef and Studio 88 have been excluded from this report as the group works through integration plans and timelines where affordability will be considered.

An "at a glance summary" of the policy changes together with remuneration outcomes for executive directors for the year is provided below. Full details are disclosed in the implementation report on pages 213 to 220.

Total guaranteed pay adjustments
Total guaranteed pay (TGP) for executive directors was found to be below that of the market median for the comparator group of JSE-listed companies of similar size and industry. This was conducted in May 2023 by independent remuneration advisors, PwC. Increases in line with market positioning and inflation will be awarded.

Non-executive director fees
Non-executive director benchmarking was not conducted in 2023. Increases were aligned to inflation and the group's budget guideline for associates.

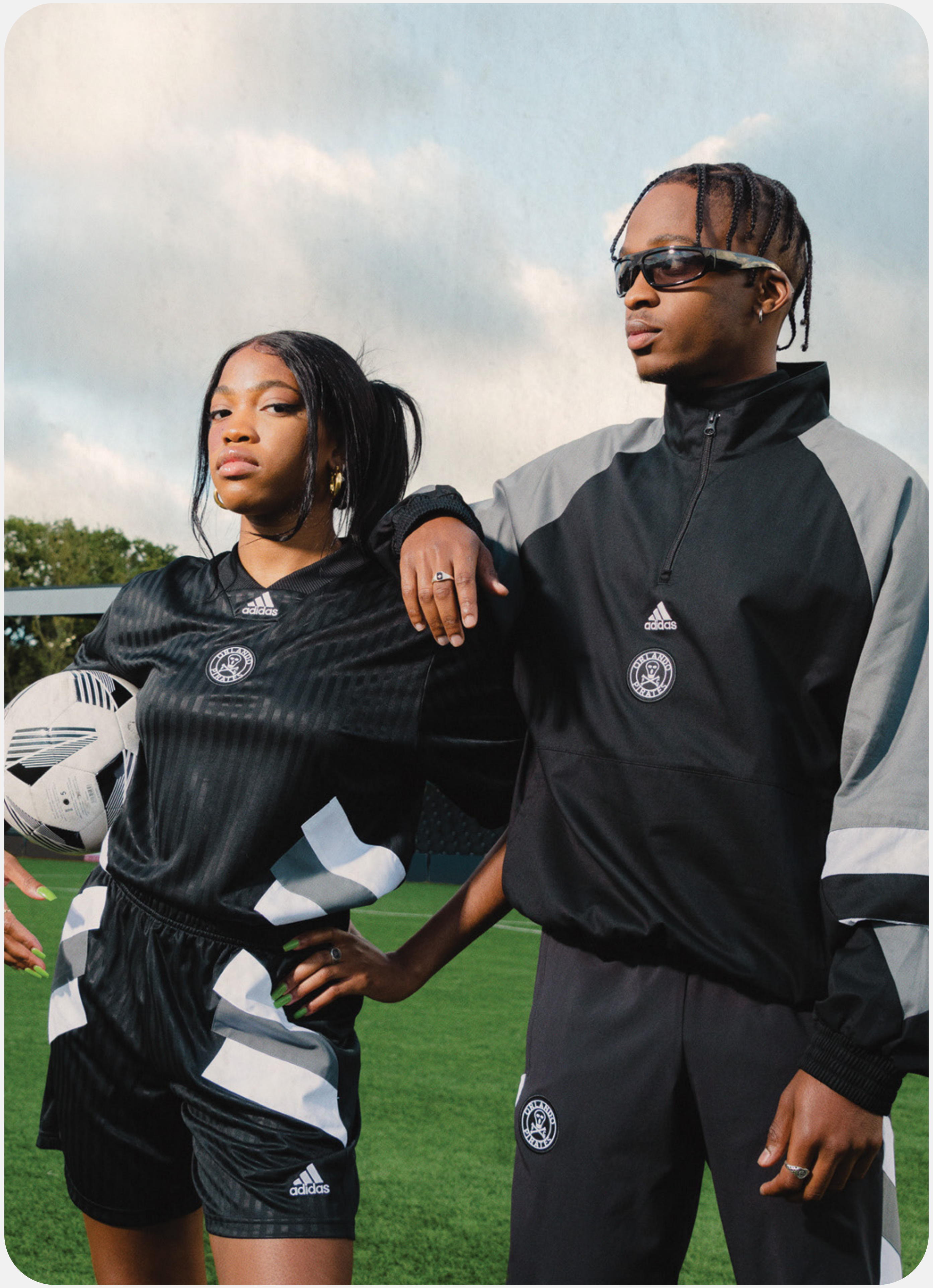
2023 bonus outcomes
Due to the group not meeting its financial objectives, STIs were not paid out. However, certain qualifying associates who were key talent, critical and scarce skills were paid an STI.

2023 LTI vesting outcomes
Due to the non-fulfilment of the performance conditions, none of the FSP performance awards and share option awards granted in November 2018 and February 2019 with a performance period ending 31 March 2023 will vest.

December bonus
The December bonus is paid at the discretion of the group, depending on a number of factors including, but not limited to, the trading results and profitability of the group with escalation linked to tenure. However, over the past few years, this benefit has always been paid out, even in December 2020 amid the uncertainty of the COVID-19 pandemic. It has become the norm that the December bonus is treated as guaranteed, and as such, historically, it was incorporated in the associates TGP. This was not ideal as it was perceived as though the December bonus had no performance conditions, however, the committee views the December bonus as an important tool in its fair pay journey and to recognise long serving employees for their commitment and dedication to the company. As a first step to align to shareholders, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) were moved from receiving their December bonus by converting this into their respective basic salary for FY2023. There was no impact on TGP which already included the December bonus component. It was ensured that the parameters used in the determination of STIs and LTIs were also reviewed so that the CEO and CFO were not worse or better off as a result of this amendment to their remuneration structure. There was no change to the December bonus structure for the rest of the associates within the group, but this will be considered under a broader remuneration evaluation project which commenced in FY2023.

Remuneration for the year ahead
The following approach will be taken for the forthcoming year:

- TGP – adjustments will be considered for critical and scarce skills, high performers as well as to address remuneration anomalies
- Wage gap analysis will be conducted post implementation of new job grading system
- Review of the group's remuneration philosophy — moving towards flexible total reward with an emphasis on the retention of key talent, critical and scarce skills
- Review of current fixed pay structure and conversion to cost to company salary structure, creating flexibility
- Bonus targets and structure – may be reviewed to align with the group's pay for performance remuneration philosophy and the newly-implemented Paterson grading system
- LTI targets and structure – may be reviewed for LTI considerations given risk. The group's broad based incentive scheme is not funded by shareholders.
- Integration and alignment of the Paterson grading system and methodology, which is a credible and widely-used job evaluation system



Remuneration governance and the committee

THE KEY FOCUS AREAS FOR THE REPORTING PERIOD WERE:

Executive remuneration:

- Approval of the CEO and CFO's December bonus conversion
- Approval of total packages for executive directors
- Approval of STI structure with performance criteria linked to financial performance, strategic KPIs and leadership. The on-target and maximum percentages for the STI were reduced to take the inclusion of the December bonus in basic salary into account
- Approval of LTI awards and performance conditions, including, on the recommendation of the Social, Ethics, Transformation and Sustainability (SETS) Committee, the SETS scorecard (sustainability key performance indicators (KPIs)) applicable to LTIs. The face value allocation percentages of the LTIs were reduced to take the inclusion of the December bonus in basic salary into account
- Review and approval of STI and LTI outcomes for the period ending 1 April 2023

Associate remuneration:

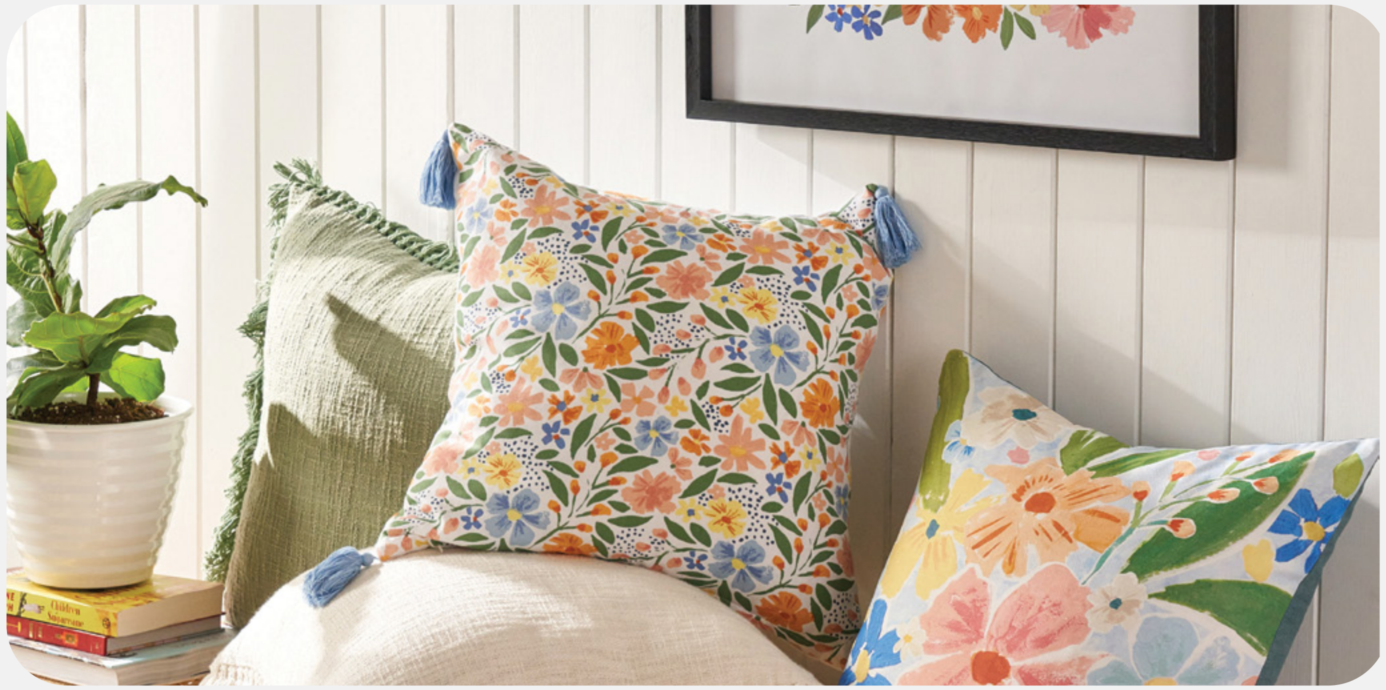
- Review of fair and responsible remuneration with an emphasis on equal pay for work of equal value
- Review of remuneration and benefit structures of new acquisitions
- Incentive design for acquisitions, taking into account growth trajectory and talent retention
- Review of all current associate benefits across the group
- Flexible benefits in the form of flexible retirement savings, affording associates greater flexibility to structure their retirement contributions while ensuring they receive sound financial advice and support
- Standardised STI structures across the group, including aligning STI structures to the grading system to ensure appropriate link to divisional and company performance across the different levels
- Implementation of the Paterson job evaluation system

Other activities:

- The ongoing board refresh and skills focus including identifying potential suitable new directors
- Addressing the potential impact of the macro economy, including among others, inflation and rising interest rates, on the organisation's performance and possible consequences on remuneration and retention. Associates were provided with additional wellness support
- Engaging with and responding to shareholder remuneration questions ahead of the August 2022 AGM

FUTURE AREAS OF FOCUS:

- Continue to simplify the group's benefits offering, with the aim of offering associates a hybrid salary structure that provides them with flexibility to structure their remuneration packages to suit their unique needs and circumstances
- Optimise current benefits across the group
- Entrench and align the new Paterson job evaluation system for grade reviews across the group
- Continue to evaluate pay structures throughout the group with a focus on critical and scarce skills
- Review the group's new acquisitions Power Fashion, Yuppiechef and Studio 88, in relation to the group's remuneration policy and structures
- Develop the group's fair pay principles and align the pay of critical and strategic talent in a fair and responsible manner
- 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)



External advisors

During the year external remuneration advisors PwC, REMchannel (Pty) Ltd and 21st Century provided the following services to the group's remuneration function, as needed to provide the necessary inputs for consideration by the committee:

- Remuneration reporting (PwC and REMchannel)
- Executive director remuneration benchmarking (PwC)
- Remuneration benchmarking (21st Century and REMchannel)

The consultants provided their services objectively and were independent throughout the engagements.

Voting and shareholder engagement

Stakeholder engagement is one of the group's key strategic pillars, of which shareholders and the investment community are its primary stakeholders. Its ability to deliver sustained value depends on these relationships and the contributions and activities of shareholders. The committee encourages and appreciates feedback from shareholders on remuneration matters. The issues raised are then tabled at committee meetings and are duly considered when reviewing the remuneration policy and disclosure of its implementation.

The group's key value of Partnership was displayed throughout the year as the group communicated frequently and transparently with shareholders ahead of the 2022 AGM and will again do so ahead of the August 2023 AGM.

The voting trend in support of the remuneration policy is above 75% and has significantly improved since 2019 but the level of support for policy implementation is disappointing, considering the extent of active engagement and the policy and implementation changes that are effected by the committee as a consequence, as well as continuous improvement on explanations and disclosure:

Financial year	Policy (in favour)	Implementation (in favour)
2019	49.66%	42.28%
2020	72.09%	72.57%
2021	83.08%	59.85%
2022	78.17%	51.91%

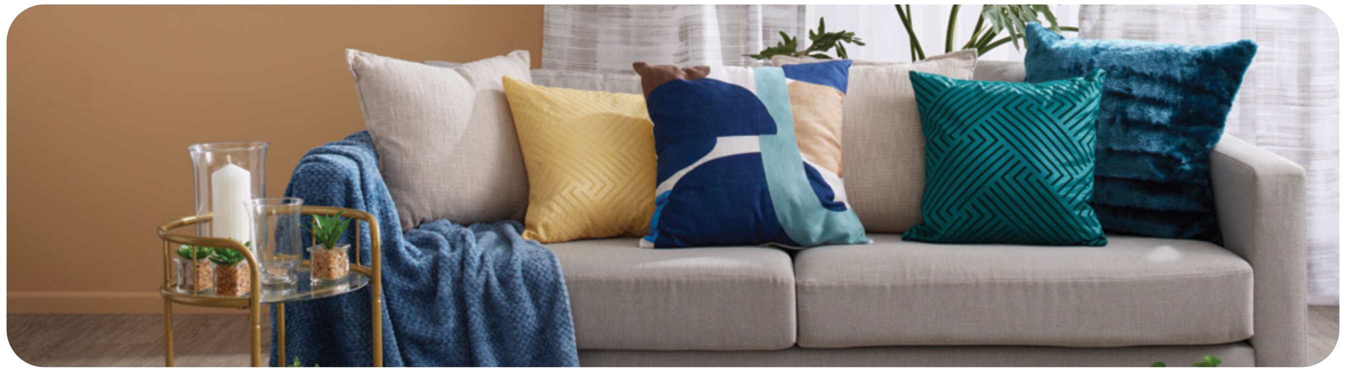
Following the 2022 AGM voting outcome for the implementation of the group's remuneration policy, a SENS announcement was released on 25 August 2022 inviting shareholders to advise on their reasons for their dissenting votes. Feedback and concerns received from shareholders in respect of FY2022 remuneration implementation and the committee's response, including adjustments made to policy and implementation in the reporting period, are as follows:

Shareholder feedback	Actions taken
The CEO was granted a once-off share award in FY2022 and the award is not subject to performance conditions	As mentioned in the FY2022 report, after the conclusion of a total remuneration benchmarking exercise, the CEO's guaranteed pay was lagging the market. The remuneration committee did not think that it was appropriate to increase his guaranteed pay to the median, but instead made an award of forfeitable shares. A number of safeguards were implemented as part of the award. The shares are forfeitable subject to a five-year vesting period, therefore if the CEO's employment is terminated for cause before the five-year vesting period, he will forfeit the award. If his employment is terminated without cause, he will receive a pro-rata portion of the award. In line with the group's remuneration policy, the award is subject to malus and clawback provisions. Lastly, unlike an adjustment in guaranteed pay, the award is directly linked to long-term shareholder interests via the forfeitable shares awarded.
Use of loyalty bonus without performance conditions	The annual December bonus serves two purposes: 1. It acts as a 13th cheque. This bonus is not awarded over and above an employee's salary, but rather is a deferred portion of their TGP which is paid out to them in December. 2. It serves as a long service award. 100% of an employee's monthly salary is paid out after 10 years of service. The committee views this as an important tool in its fair pay journey and to recognise long-serving employees for their commitment and dedication to the company. The annual December bonus was converted into the basic salary of executive directors in FY2023, and as this was already part of their TGP, it will not result in variable pay being worse or better off as a result of this change.
Disclosures around the strategic and personal performance measures, which determine the majority of bonus awards, remain insufficient, concerns remain regarding the assessment of performance against these measures	The committee considered the concerns of shareholders. Prospective disclosure of performance targets is deemed as being price sensitive. The committee evaluated the performance of the CEO and CFO for FY2023. However, the STI structure for FY2023 was not applicable due to negative earnings growth. In part 2 on pages 206 to 207 the target setting process is expanded on.
Equal weighting for financial, strategic, and personal targets used in the STI. The personal performance measure is considered subjective and therefore the weight should not equal financial or strategic measures. In addition, HEPS contribution (87% of financial targets) to financial targets increases the risk of higher STI as mergers and acquisitions (M&A) activity increases	The execution of the group strategy encompasses a number of factors, including financial performance, delivery on KPIs and the role that leaders play in building engaged and high performing teams, use of opportunities to address under-representation, succession management, being exemplary in living the group's values and creating a culture where associates thrive. These elements of leadership are reflected as personal performance. Financial, strategic and leadership (personal performance) targets are seen as equally important in achieving our vision. It is for this reason that the committee deems it important to assign equal weightings for these three elements in the annual STI. Despite this structure, STIs will not be paid in a negative growth earnings environment as experienced in FY2023.

Closing remarks
The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the 2023 financial year and that the remuneration philosophy achieved its stated objectives. The committee further confirms that there were no deviations from the remuneration policy during the year.

The group is committed to a sustainable, fair and responsible remuneration policy that aligns all stakeholders' interests. We trust the adjustments made during the reporting period sufficiently address shareholder concerns and we can count on your continued constructive support.

Mark Bowman
Committee Chair



Remuneration Policy

Overview
At the heart of the business, the group's purpose is to be Your Value Champion. This is supported by rewarding associates with a total remuneration mix that drives Passion, Value and Partnership, which are key enablers of group success. The group's remuneration policy is to reward all associates for their contribution to its performance, taking into consideration an appropriate balance between guaranteed and variable (short- and long-term) remuneration components.

The group's remuneration philosophy recognises that its successful years are a direct result of its associates' efforts. Thus, its stance is to generously and equitably reward high performance. Conversely, in years where the group is faced with headwinds, the focus shifts to maintaining fixed costs at reasonable levels with little or no variable pay awarded to associates. Hence the group takes the approach of rewarding outperformance through its variable pay structures. Being a value retailer, the group aims to remunerate all associates at the market median on TGP for its comparator group and rewards superior performance through STIs and LTIs when targets are achieved. This enables associates to exceed the market median on total earnings. Pay ranges are benchmarked against the comparator group's market median, allowing a tolerance band of 20% below and above this measure. Benchmarking is conducted on both a retail and national level for stores and head office respectively. Bespoke surveys are conducted to cater for niche market skills, and consideration is applied to remunerate at a higher benchmark. The group subscribes to a pay for performance principle while still ensuring that associates' fixed pay aligns with the chosen comparator group's market median.

Since performance-related incentives form a material part of the remuneration structure, ongoing performance feedback is vital. As part of a broader performance enablement framework, associates participate in career and development conversations annually, focusing on work achievements, learning and development needs aligned to their values and intrinsic beliefs. This enables the group to understand its talent and their aspirations in order to foster mobility and manage succession proactively. The group has recently launched a further element in the formalised framework which encourages leaders and their teams to have frequent check-ins to ensure they stay aligned, engaged and feel supported to deliver what is expected, at their best.

There is strong alignment of the types of benefits offered to the various levels of permanent associates. The group can justify areas where differentiation has been applied, specifically where consideration has been given to the position's seniority, job requirements and the need to attract and retain key talent, critical and scarce skills. The remuneration policy as it applies to all associates, except for Power Fashion, Yuppiechef and Studio 88, who are not yet fully integrated into group remuneration structures, is set out below, followed by an in-depth overview of the arrangements applicable to executive directors. The group plans to undertake a detailed evaluation of its total reward philosophy and various components to drive operational performance and the achievement of the group's vision. This includes the reconsideration of the pay mix, striking a balance between fixed remuneration and performance-based remuneration.

Fair and responsible remuneration
Remuneration is not influenced by race, creed or gender, with the emphasis on equal pay for work of equal value. To ensure that the group provides remuneration that is fair, appropriate and responsible, it conducts an annual internal benchmarking exercise. Every second year, the group engages an external remuneration consultant to conduct external benchmarking. The committee (and the board) is acutely aware of the global issue regarding fair and responsible remuneration between management and junior level employees. The majority of associates within the group are in entry level positions due to the group's self-service retail model. The group believes that its unique and inclusive approach to short- and long-term remuneration enables the best possible outcomes, is substantively fair, and is applied consistently throughout the group. The group has taken a stance to review all of its remuneration offerings including but not limited to its suite of employee benefits, to ensure that each benefit is optimised for associates which is a future focus area.

One of the group's core values is Partnership, with the most important partnership being with Mr Price Group associates. In promoting increased employee ownership of the group, as well as in acting as a fair and responsible employer and actively contributing toward broad-based black economic empowerment (B-BBEE), the group adopted Mr Price Group Limited Partners Share Scheme in 2006. The shares are offered to participating associates for free. Associates receive dividends and are entitled to vote at the AGM. This scheme is reviewed periodically to ensure that it is still relevant and appropriate. The group's broad based incentive scheme is funded by the company and not shareholders.