



MR PRICE GROUP LIMITED

BUSINESS CODE OF CONDUCT

MESSAGE FROM THE CHAIRMAN

As a good corporate citizen, our company is committed to the practice of good corporate governance which involves the implementation of a Code of Business Conduct that is fully supported and adopted by the Board of Directors of Mr Price Group Limited.

This Business Code of Conduct (hereafter referred to as The Code) sets out acceptable behaviour to be applied by us in the conduct of our affairs. We hope that it has been prepared in sufficient detail to provide a clear guideline to all associates. It will be evident that more detailed or additional rules may be required. These will continue to be communicated through the existing procedures, by way of management briefs or otherwise.

This Code applies to all associates, including directors, officers and employees of Mr Price Group Limited. We ask all associates to take careful heed of its contents, and to ensure that they comply with both the written word and the spirit of the Code. We have a strong tradition of personal integrity and fair play to uphold. Our hard-earned reputation must be preserved and nurtured so that our business, our people, our shareholders and the communities in which we live and work, continue to prosper. We all share equally in the responsibility to uphold this Code and to take action if we believe it is not being followed.



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1. POLICY OF TRUST

Mr Price Group Limited and all of its subsidiaries (hereafter referred to as the Company) are committed to a policy of trust, including fair dealing and integrity in the conduct of their business.

Absolute trust is our most important value. Unless there is a high level of trust between associates, the Company will not be able to outperform its competitors. It is trust that creates a magic environment. It is trust that builds self-confidence and self-respect.

Trust comes from people being honest with themselves and each other. It comes from job security. It comes from having enough confidence to express concerns and aspirations to others. Trust means creating opportunities for listening and talking with each other.

Anyone who unjustifiably interferes with the atmosphere of trust in the Company is damaging the Company spirit.

2. COMPLIANCE WITH LAWS AND REGULATIONS

Associates are required to comply with all applicable laws and regulations which relate to their activities for and on behalf of the Company.

In addition to this associates must ensure that their conduct cannot be interpreted as being in any way a contravention of applicable laws and regulations governing the operations of the Company.

The Company will not condone any violation of the law or any unethical business dealing by an associate, including any payment for, or other participation in, an illegal act such as bribery or money laundering, either inside or outside working hours.

Associates must bear in mind that the perception of their actions by others is important, and they should act accordingly, especially when any indiscreet or anti-social behaviour could affect the individual's performance or reflect badly on the Company.

3. CONFLICT OF INTEREST

Associates are expected to perform their duties conscientiously, honestly and in keeping with the best interests of the Company.

Associates must not use their position, or knowledge gained through their employment with the Company, for private or personal advantage, or in such a manner that a conflict or an appearance of conflict arises between the Company's interest and their personal interests.



A conflict could arise where an associate, a member of an associate's family, or a business with which the associate's family is associated, obtains a gain, advantage or profit because of the associate's position within the Company or knowledge gained through the Company.

If associates feel that a course of action which they have followed or are contemplating following, may involve them in a conflict of interest situation, or a perceived conflict of interest situation, they should immediately make all the facts known to their line manager.

3.1 OUTSIDE ACTIVITIES, EMPLOYMENT AND DIRECTORSHIPS

The Company believes that everyone has a responsibility to contribute to their community and therefore encourages associates to participate in religious, charitable, educational and civic activities.

Associates should, however, avoid acquiring any business interest or participating in any activity outside of the Company which would create or appear to create:

- a. An excessive demand upon their Company time, attention and energy which would deprive the Company of their best efforts on the job; or
- b. An obligation, interest or distraction which would interfere or appear to interfere with the associate exercising independent judgement in the Company's best interest.

Associates may not take up any outside employment without the prior written approval of the divisional Managing Director.

Associates who hold, or have been invited to hold, outside directorships should take particular care to ensure compliance with all provisions of this Code. Prior written approval must be obtained from the Company Secretary, who will consult with the Board of Directors.

3.2 RELATIONS WITH CUSTOMERS AND SUPPLIERS

The Company recognises that relationships with customers and suppliers could give rise to potential situations where real or perceived conflict may arise.

Associates must ensure that they are independent, and are perceived to be independent, from any business organisations which have a contractual relationship with the Company or are providing goods or services to the Company, if such a relationship might influence or create the impression of influencing their decisions in the performance of their duties on behalf of the Company.



Associates should not invest, or acquire a financial interest, directly or indirectly, in any such business organisation.

3.3 GIFTS, HOSPITALITY AND FAVOURS

Conflicts of interest can arise where associates are offered gifts, hospitality or other favours which might, or could be perceived to, influence their judgement in relation to a business transaction, such as the placing of orders or contracts.

Associates should not accept gifts, hospitality or other favours from any supplier to the Company. However, acceptance of the following would not be considered to be contrary to this Code:

- a. Advertising matter that is of limited commercial value (such as diaries, pens, desk ornaments, etc);
- b. Occasional business entertaining (such as lunches, dinners, cocktail parties, etc); and
- c. Occasional personal hospitality (such as tickets to local sporting events or theatres, etc). The cost of any travel and accommodation must be borne by the associate, prior approval must be obtained from the divisional Managing Director and full disclosure must be made in the divisional Register of Gifts.

Associates must not accept personal favours or other preferential treatment when they are offered because of the position that they hold within the Company, as this might place the associate under an obligation.

3.4 PERSONAL INVESTMENTS

The Company respects the right of associates to make personal investment decisions provided that these decisions do not contravene the conflict of interest provisions of this Code, any applicable legislation, or any policies or procedures established by the Company, and provided that these decisions are not made on the basis of material non-public information acquired by reason of an associate's connection with the Company. Associates should not permit their personal investment transactions to take priority over transactions for the Company and its customers.

Associates should ensure that no investment decision made for their own account could reasonably be expected to adversely influence their judgements or decisions in the performance of their duties on behalf of the Company.



Associates who are in possession of material non-public information about the Company must not pass this information onto others for their use.

Associates involved in performing investment activities on behalf of the Company are required to obtain prior approval for, and report on their personal investment activity and the personal investment activity of those persons with whom they have a close relationship.

Directors of the Company and associates, who by the nature of their duties or positions, are exposed to price sensitive information relating to the Company, are subject to additional rules governing personal investments. These may be imposed by the Companies Act, the JSE Limited Listings Requirements, and other regulatory bodies, industry associations and management.

The rules require the directors and such associates to refrain from dealing in the shares of the Company during the closed periods. These closed periods are defined as the period from the end of the interim or annual financial reporting periods, or the December trading period, to the date of release of the results pertaining to those periods to the public. (More onerous restrictions are placed upon those associates who compile and release results and forecasts and the directors of the Company who receive such results and forecasts prior to the end of the financial period).

Furthermore, directors and associates are forbidden to trade in the shares of the Company during prohibited periods which are periods during which they are in possession of price sensitive information which could affect the price of the Company's shares and which has not, as yet, been released to the public.

3.5 REMUNERATION

The Company remunerates associates fairly based upon formal remuneration scales and rates for basic pay and benefits. High performing associates are recognised regularly.

No associate, or a related party, may receive commissions or other remuneration from any supplier or third party related to the purchase of goods or the supply of services to the Company, except as specifically provided under the associate's terms of employment.

Associates may not receive any money or anything of value (other than the Company's regular remuneration or other incentives) either directly or indirectly, for negotiating, procuring, recommending or aiding in any transaction made by or on behalf of the Company, nor have any direct or indirect financial interest in such a transaction.



4. CUSTOMER RESPONSIBILITY

The Company is focused on becoming the top performing retail group in Africa and is therefore customer driven. A significant amount of effort is spent on obtaining a deep understanding of customer needs, desires and expectations so that we can surprise and delight our customers with our fashionable, great value products and good service.

Our customers expect and deserve fair, honest and respectful service. Associates throughout the group are accountable for the role of delivering that standard of service.

In addition to protecting customer communications, associates are also responsible for protecting customer information.

5. COMMITMENT TO A FAIR AND HEALTHY WORK ENVIRONMENT

5.1 EQUAL OPPORTUNITY

The Company's employment equity policy is to support a system of equal opportunity for all. The Company seeks to identify, develop and reward each associate who demonstrates the qualities of individual initiative, enterprise, hard work and loyalty in their job.

The Company strongly rejects notions of window dressing or tokenism. We believe that it is in the best interest of the Company, the associate and their peers to know that employment in the Company is on the basis of merit rather than on race or other criteria unrelated to the associate's capacity to do the job.

Disabled or ill associates may continue to work provided that they are able to perform satisfactorily the essential duties of their jobs and do not present a safety or health hazard to themselves or others.

5.2 DISCRIMINATION AND HARASSMENT

Associates have the right to work in an environment which is free from any form of harassment or unlawful discrimination with respect to race, sex, sexual orientation, place of origin, citizenship, creed, political persuasion, age, marital or family status, or disability. An associate should report any cases of actual or suspected discrimination or harassment in the manner set out in the Contravention of the Code section.

5.3 WORKPLACE VIOLENCE

The Company will not tolerate any threatening, hostile or abusive behaviour by associates in the workplace or whilst on Company business. Damage to property is also prohibited.



5.4. HEALTH AND SAFETY

The Company is committed to taking every reasonable precaution to ensure a safe working environment and good health for all associates.

Associates who become aware of circumstances relating to the Company's operations or activities which pose a real or potential health or safety threat, should report the matter as set out in the Contravention of the Code section.

5.5 SUBSTANCE ABUSE

Associates may never use, sell, transfer, manufacture or possess illegal drugs in the workplace or whilst on Company business. Except in the event of prior management approval, associates may not consume alcohol on the Company premises or whilst on Company business.

Associates may not arrive for work under the influence of any illegal drug or alcohol.

5.6 MISCONDUCT OFF THE JOB

Associates must avoid conduct off the job that could impair work performance or affect the Company's reputation or business interests. Associates are required to advise their line managers of all criminal arrests or convictions that might impact their ability to perform their job.

6. ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

The Company is committed to operating in an environmentally responsible manner, including ensuring that inappropriate environmental risks are not taken and natural resources used in its business operations are conserved. This objective is not inconsistent with our traditional commercial imperatives since it challenges associates to use all resources (electricity, water, paper, fuel, etc) more efficiently.

The Company supports the sustainability of the social environment in which it operates by dedicating funds to corporate social investment (CSI). This investment is based not only on the sound principle of reputation management but it also represents a desire to do what is right and make a difference to people's lives.

The Company donates a portion of CSI funds to the RedCap Foundation, which works in partnership with various organisations for the overall benefit of society. Associates are challenged to support the RedCap Foundation both financially and by donating their time and skills.



7. POLITICAL SUPPORT

The Company encourages the personal participation of associates in the political process and respects their right to absolute privacy with regard to personal political activity. The Company will not attempt to influence any such activity provided there is no disruption to workplace activities and it does not contribute to industrial unrest.

Company funds, goods or services must not however be used as contributions to political parties or candidates, and Company facilities must not be made available to candidates or campaigns, unless specifically authorised by the Chief Executive Officer.

8. COMPANY FUNDS AND ASSETS

The Company has developed internal controls in order to safeguard its assets and imposes strict procedures to prevent fraud and dishonesty.

Associates who have access to the Company's funds and assets, in any form, must at all times follow the prescribed policies and procedures for recording, handling and safeguarding these funds and assets. .

Associates must ensure that the Company's funds and assets are used only for legitimate Company business purposes. Associates involved in spending Company funds must take responsibility and use good judgement on the Company's behalf to ensure that appropriate value is received by the Company for such expenditure.

If associates become aware of evidence that the Company's funds or assets may have been used in a fraudulent or improper manner, they should immediately and confidentially advise the Company as set out in the Contravention of the Code section.

9. COMPANY RECORDS

The Company is required to keep accurate and valid records to meet its legal and financial obligations and to adequately manage the affairs of the Company.

The Company's records should reflect all business transactions in an accurate and timely manner. Undisclosed or unrecorded revenues, expenses, assets or liabilities are not permissible. Associates responsible for accounting and recordkeeping functions are expected to be diligent in enforcing proper business practices.



10. DEALING WITH OUTSIDE PERSONS AND ORGANISATIONS

10.1 PROMPT COMMUNICATIONS

The Company strives to achieve complete, accurate and timely communications with all parties with whom it conducts business, as well as government authorities and the public. In addition, prompt internal communication and communication with customers is encouraged.

A prompt, courteous and accurate response should be made to all reasonable requests for information and other customer and supplier communications. Any complaints should be handled in accordance with internal procedures established by the various divisions of the Company and any applicable laws.

10.2 MEDIA RELATIONS

In addition to everyday communications with outside persons and organisations, the Company will, on occasion, be asked to express its views to the media on certain issues.

When communicating publicly on matters that involve the Company business, associates must not presume to speak for the Company on such matters. Associates approached by the media should immediately refer them to the Chief Executive Officer's (CEO's) office.

When dealing with anyone outside the Company, including any public official, care must be taken not to compromise the integrity or damage the reputation of any outside individual, business, government body, or the Company. The Company's position on public policy or industry issues will be dealt with by the CEO.

Articles for publication, public speeches and addresses about the Company and its business should be sent to the CEO's office to be reviewed and approved prior to issue.

Associates should separate their personal roles from the Company's position when communicating on matters not involving Company business. They should be especially careful to ensure that they are not identified with the Company when pursuing personal or political activities, unless this identification has been specifically authorised in advance by the CEO.



11. PRIVACY AND CONFIDENTIALITY

In the regular course of business, the Company accumulates a considerable amount of confidential and sensitive business, customer and associate information. Caution must be exercised in appropriately communicating information which could be considered to be privileged information to outside parties, particularly during the closed or prohibited periods referred to in the personal investments section above.

When in doubt, the Company Secretary should be consulted for approval.

The following principles are to be observed:

11.1 OBTAINING AND SAFEGUARDING INFORMATION

Information that is necessary for the Company's business should be collected, used and retained. When personal information is needed, it should be obtained directly from the person concerned, wherever possible, in order to avoid possible misrepresentation. Only reputable and reliable sources should be used to supplement this information.

Information should only be retained as long as it is needed or for the minimum period required by the law. Information should be physically secured and protected as appropriate.

11.2 ACCESS TO INFORMATION

Information with respect to any confidential product, plan or business transaction of the Company, or personal information regarding associates (including their salaries) may not be disclosed or discussed with any other person or associate unless and until proper authorisation for such disclosure has been obtained.

The Company may implement further policies and procedures to prevent improper transmission within the Company of material and non-public information which might affect the Company's share price.

12. ANTI-COMPETITIVE PRACTICES

The Company is committed to competing fairly in the marketplace and will not enter into collusive arrangements with competitors or suppliers that will prejudice customers, suppliers or competitors or interfere with free competition in the market.

Associates should endeavour to ensure that the Company is not involved in the following:



- 12.1 Arrangements with competitors, which could include:
- (a) Fixing prices or other trading conditions (for example agreeing with competitors to all charge the same price or offer the same credit terms);
 - (b) Market sharing arrangements (for example agreeing with competitors to “apportion” customers or suppliers, products or areas of operation);
 - (c) Collusive tendering (for example agreeing with competitors to not compete normally in a tender process).
- 12.2 Arrangements with suppliers, which could include:
- (a) Unfair agreements with suppliers that they will not deal with a competitor; or
 - (b) Minimum resale price maintenance in terms of which the Company agrees with a supplier that it will not on-sell a product or service for less than a certain price (provided that a supplier shall be entitled to recommend a minimum resale price of a product or service to the Company, if, amongst other things, the recommendation is not binding).
- 12.3 Abuse of dominance:
This is the potential abuse by the Company of its strong position in the marketplace to, amongst other things, control prices, or exclude competition. It could take the form of:
- (a) Excessive pricing (this would involve charging prices for products and services which exceed and bear no reasonable relation to the real value of the product or service being sold);
 - (b) Refusing a competitor access to an essential facility or resource if this would affect the competitors ability to compete ;
 - (c) Price discrimination (this would involve, amongst other things, charging customers different prices for the same products to gain an unfair advantage; or
 - (d) Engaging in an act that impedes or prevents a competitor from entering into, or expanding within, the market, for example:
 - (i) Inducing or requiring customers or suppliers not to deal with competitors;
 - (ii) Selling products or services to customers on condition that the customer purchases other unrelated products or services, or forcing a customer to accept a condition unrelated to the object of the contract for such product or service; or
 - (iii) Predatory pricing (this would involve selling goods or services at a price lower than the cost price thereof to force competitors out of the market.



Any associate perceiving that the Company, or a division of the Company, could be involved in any of the abovementioned practices should report his or her perceptions to the Company Secretary.

13. CONTRAVENTION OF THE CODE

If an associate is concerned that their own actions may have contravened the Code, then they should immediately advise, in writing, their line manager or the divisional Managing Director.

If an associate suspects that a contravention of the Code has been committed by another associate of the Company, they should promptly and confidentially report this, in writing, to the divisional Managing Director or call the Company's Whistleblowers Hotline on 0860 005 111. The associate should not confront the individual concerned. By following this process, confidentiality will be maintained and the matter will be investigated impartially.

A contravention of the Code is a serious matter and might result in disciplinary action, including the termination of employment. Certain breaches of the Code could also result in civil or criminal proceedings.

ACCEPTANCE OF THIS CODE

I,.....,

(Full Name and Surname)

hereby acknowledge that:

- I have read, understood and accept the Code;
- I will adhere to the rules and regulations as contained herein; and
- I will, if required, complete an annual declaration form in respect of the matters referred to in this Code.

Signed:

On the (Day) of (Month)..... (Year).