

MASSMART

WHISTLE BLOWING POLICY

1. Introduction

When employees and suppliers realise something is not right within an Organisation, they may not want to express their concerns. This is because employees feel that doing so would be disloyal to their colleagues or their Organisation and suppliers feel that doing so would be disloyal to their clients. Furthermore they may also hold back in fear, for example, fear of harassment or even victimization. In these circumstances it may be easier to often ignore the situation than report especially when it may just be a suspicion of Ethical misconduct.

Massmart is committed to its Code of Ethical Conduct and has the expectation that where its employees and stakeholders believe that either Massmart or its stakeholders aren't abiding by the Code of Ethical Conduct, they should come forward and voice a breach of the code or their concerns.

This policy specifically provides clarity to all Massmart Employees and Suppliers that they can without fear of victimization, subsequent discrimination or disadvantage raise breaches of the Massmart Code of Ethical Conduct. The policy further encourages that rather than ignoring a situation or concern, that Employees and Suppliers alike use the Massmart Ethics Line to either confidentially or anonymously report the breach or concern. The party making the call can be assured that wherever practical, and subject to any legal constraints, investigations will proceed on a confidential basis.

2. The purpose of the Whistle blowing Policy

- Encourage parties to feel confident in raising breaches and concerns;
- provide facilities to voice breaches and concerns and to receive appropriate feedback on any action taken;
- ensure that whistleblowers will be protected from possible reprisals or victimization if the disclosure was made in good faith.

There are existing company policies and procedures in place and so this policy is not a substitute policy for issues that are governed under those particular policies and procedures. This is important in relation to employee matters where they are subject to current Human Resource and Grievance policies and procedures.

3. Policy Framework

3.1 Whistle blowing safeguards

Massmart is committed to its Code of Ethical Conduct and its employees' and suppliers' rights. It recognises that the decision to report a breach can be a difficult one to make. If what a whistleblower is saying is true, they will have nothing to fear because they would be acting as a responsible stakeholder. Massmart will protect the whistle-blower by not tolerating any harassment or victimization (including informal pressures) as the whistle blower has raised the breach or even the suspected breach, in good faith. Any investigations into allegations raised will however not influence or be influenced by any current process that may already affect an employee in terms of the companies' policies and procedures.

3.2 Whistle blowing Confidentially

All concerns and breaches raised will be treated with the strictest confidence and every effort will be made, subject to any legal constraints, not to reveal the identity of the whistle-blower without their permission. Circumstances may however dictate that in time it may be necessary for their identity to become known i.e. as they may have been called as a witness.

3.3 Whistle blowing Anonymously

This policy encourages that all disclosures are confidential, that is the whistle-blowers identity is known to the relevant parties, and however it does recognise that in certain circumstances it may be the preference of the whistle-blower to report anonymously.

Concerns raised anonymously are not easily investigated due to inability of the investigator to request additional information, and accordingly will need to be considered at the discretion of the Ethics Officers.

In exercising this discretion the factors to be taken into account would include:

- the seriousness of the issues raised
- the detail and amount of information provided: and
- the ability of confirming the allegation from other sources.

It is the responsibility of the whistle-blower to ensure their own anonymity.

3.4 Whistle blowing maliciously

An allegation made in good faith, but not able to be confirmed by an investigation or proved untrue, no action will be taken against the whistle-blower. If however an allegation is maliciously or mischievously made for personal gain or otherwise, appropriate disciplinary or legal action may be taken against the whistle-blower.

3.5 Whistle blowing process

Firstly employees should be encouraged to raise breaches and concerns with their immediate manager or their superior. This however depends on the seriousness and sensitivity of the issues involved and who is suspected of the breach. If you believe that avenue is inappropriate then you should contact the Massmart Ethics line using:

- Freecall : 0800 20 32 46 or +27 31 508 6488 (outside South Africa)
- Freefax : 0800 00 77 88
- e-mail : Massmart@ethics-line.com
- Free post : Free Post, KZN 138, Umhlanga Rocks, 4320
- SMS : "please call me" to 32846 (charged @ R1.00 per sms)

Refer to the Massmart Code of Ethical Conduct for details on how.

3.6 Massmart's commitment to whistle blowers

Massmart Ethics Officers and Office will respond to all concerns raised in good faith. Where appropriate, matters raised may be investigated by management, internal audit, or through disciplinary process and in certain circumstances be referred to other investigating authorities.

In order to protect all individuals concerned initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may be resolved without the need for investigation. If however urgent action is required this may also be taken before any investigation is conducted.

Within ten working days of a concern being raised, the Ethics Officer involved will either institute the necessary plans for an investigation or, where more information is required after an assessment of the availability of that information, either defer or close the case. Only with the permission of the whistle-blower will contact between the whistle-blower and the ethics or investigating officers take place. This contact will depend entirely on the nature of the matters raised and particularly the adequacy of the information provided.

Where possible and necessary, the officers involved may be required to meet in order to seek further information. Such meeting will be made with both the protection and confidentiality of the whistle-blower being paramount. Subject to any legal constraints, the whistle-blower will be kept informed of the progress and outcome of an investigation.

Massmart will take steps to minimise any difficulties that a whistle-blower may experience as a result of raising a concern. For example, if required to give evidence in criminal or disciplinary proceedings, Massmart will provide the necessary time, resource and ensure adequate advice is provided with regard to the proceedings.

3.7 The responsible Officer

The Massmart Ethics Officers and Office have overall responsibility for maintenance and operation of this policy and maintain a record of concerns raised (in a form which does not endanger the whistle-blowers confidentiality) and reports as necessary to the Massmart Board.