

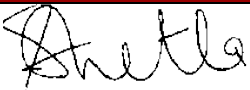


Whistle Blowers Policy

2019

Policy Title	Whistle Blowers Policy 2018/19
Domain	Risk Division
Date approved by Board	16 February 2019

Revision History		
Version	Board Approval	Comments
1.0	Date.	Initial Policy
1.1	Date.	Revision
1.2	Date. 2018	Revision
1.2	16 February 2019	No changes made

Approval			
Mr. Tshepo Phetla		Chief Executive Officer	16 February 2019

STRICTLY CONFIDENTIAL

Whistle



The North West Development Corporation (SOC) Ltd and subsidiaries are committed to the Code of Ethics and have the expectation that where its employees and stakeholders believe that either the North West Development Corporation or its subsidiaries or its stakeholders are not abiding by the Code of Ethics, they should come forward and voice a breach of the code or their concerns.



24 Hour Hotline
Fraud Hotline: 086 132 3469

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1. DEFINITIONS

Throughout this document, unless otherwise stated, the words below have the meanings stated in the adjacent column and similar or related expressions shall bear corresponding meanings:

Clause	Word	Meaning
1.1	Act	The Protected Disclosures Act 26 of 2000
1.2	Policy	The Whistle Blowers Policy of the North West Development Corporation (SOC) Ltd or NWDC
1.3	NWDC or NWDC Group	The holding entity and all its subsidiaries
1.4	SAPS	The South African Police Services
1.5	Extortion	It consists of taking from another some patrimonial or non-patrimonial advantage by intentionally and unlawfully subjecting that person to pressure which induces him or her to submit to the taking
1.6	Forgery & Uttering	Forgery consists of unlawfully and intentionally making a false document to the actual or potential prejudice of another.
		Uttering consists of unlawfully and intentionally passing off a false document (forged) to the actual or potential prejudice of another.
1.7	Fraud	The unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another.
1.8	Theft	Unlawful appropriation of moveable corporeal property belonging to another with intent to deprive the owner

Clause	Word	Meaning
		permanently of the property.
1.9	Receiving stolen property	Receiving stolen property consists of unlawfully receiving possession of stolen property knowing it to have been stolen.
1.10	Corruption	The misuse of entrusted power or influence for private gain. <i><u>Explained</u></i> <i>In terms of South African criminal law, anybody who accepts any gratification from anybody else, or offers or gives any gratification (benefit) to anybody else in order to influence the receiver to conduct herself or himself or itself in a way which amounts to the unlawful or irregular exercise of any duties, commits corruption.</i>
1.11	Offences in respect of corrupt activities	As defined in the Prevention and Combating of Corrupt Activities Act 12 of 2004
1.12	Misconduct	The intentional violation of rules in the workplace.
1.13	Whistle blower	A person who discloses or reveals to the public or to those in positions of authority any kind of information or activity that is deemed unethical, unlawful or illegal within an organization in the hope of stopping it. <i><u>Explained</u></i> <i>The information of alleged wrongdoing can be violation of company policy/rules, law, regulation, or threat to public interest/national security, as well as fraud, and corruption.</i>
1.14	Whistle blowing	The act of informing the authorities or the public that an organization is engaging in illegal and/or unethical practices with an aim of putting a stop to such practices.
1.15	External Parties	Persons other than employees, comprising of members of the public or suppliers or private & public entities/institutions
1.16	Related Party/Parties	A related party is a person or entity that is related to the entity that is preparing its financial statements (also referred to as the 'reporting entity') or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
1.17	Financial Year	Commences from 1 April and ends 31 March

2. SUPREMACY OF THE PROTECTED DISCLOSURES ACT & THE PREVENTION AND COMBATING OF CORRUPT ACTIVITIES ACT

This policy does not intend to contradict any provision of the Protected Disclosures Act and the Prevention and Combating of Corrupt Activities Act as amended from time to time and if such contradiction is uncovered, the provisions of the Protected Disclosures Act and the Prevention and Combating of Corrupt Activities Act will reign supreme.

This policy endeavours to align itself to the laws and regulations of the Republic of South Africa and will be amended or updated upon realisation of any significant misalignment.

3. PREFACE

The North West Development Corporation (NWDC) is committed to the fight against fraud and corruption, whether the perpetrators are internal or external. The Whistle-blowing Policy forms part of NWDC's commitment to working towards open and transparent administration.

The Protected Disclosure Act (PDA), Act 26 of 2000, which came into effect in February 2001, provides protection to employees for disclosures made without malice and in good faith, in defined circumstances.

In terms of the PDA, employees can blow the whistle on fraud and corruption in the working environment without fear of suffering an occupational detriment as defined by the Act. NWDC management encourages staff to raise matters of concern responsibly through procedures laid down in this policy document.

4. INTRODUCTION

Often when organisations act in a wrongful or unlawful manner towards employees and external parties, the victims of such wrongful or unlawful behaviour may not want to express their concern for fear of being disloyal to their colleagues or organisation. Similarly, the victimised suppliers for example, may also avoid expressing concern for fear of being regarded as disloyal to their clients. Other possible reprisals may include fear of any occupational detriment, victimization, discrimination, unfair treatment, side-lining or exclusion from opportunities, etc.

This policy encourages employees and external parties to act without fear, favour or prejudice to confidentially or anonymously report all acts of suspected breaches rather than ignoring them or reporting them through inappropriate channels.

The policy further affords the North West Development Corporation Group of Companies and every whistle blower all the rights and duties as defined in the Protected Disclosures Act 26 of 2000.

5. OBJECTIVES OF THE POLICY

In order to comply with the Act, the NWDC Group shall:

- 5.1 Strive to create a culture, internally and externally, which promotes the disclosure of information by employees and external parties relating to unethical conduct and fraud and corruption taking place within the organisation in a responsible manner, by providing clear guidelines for the disclosure of such information as well as protection against reprisals which may result from such disclosure;
- 5.2 Provide avenues for employees and external parties to raise concerns and receive feedback on any action taken;
- 5.3 Inform employees and external parties on how to proceed with the matter further if they are dissatisfied with the response; and
- 5.4 Reassure employees and external parties that they will be protected from reprisal or victimisation for whistle-blowing in good faith.

6. SCOPE OF THE POLICY

6.1 The North West Development Corporation has formal grievance procedures which enables employees to raise grievances relating to their employment. This policy is therefore intended to cover concerns that fall outside the scope of the above mentioned grievance procedures. In terms of the Act (refer definition of "disclosure"), such concerns include that:

- 6.1.1 A criminal offence has been committed, is being committed or is likely to be committed;
- 6.1.2 A person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
- 6.1.3 A miscarriage of justice has occurred, is occurring or is likely to occur;
- 6.1.4 The health and safety of an individual in the workplace has been or is likely to be endangered;
- 6.1.5 The environment has been, is being or is likely to be endangered;
- 6.1.6 Unfair discrimination as contemplated in the Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000

has been practiced, is being practiced or is likely to be practiced;
or

6.1.7 Any matter referred to in paragraphs 5.1.1 to 5.1.6 has been, is being or is likely to be deliberately concealed.

6.2 This policy applies to all who carry out work for the organisation.

7. POLICY STATEMENT

7.1 Whistle Blowing Safeguards

The NWDC Group acknowledges the fact that the decision to report a concern may be difficult due to fear of reprisal from those responsible for the alleged irregularity. The NWDC Group shall not tolerate harassment or victimisation and shall take action to protect employees and external parties when they raise a concern in good faith. However, this does not mean that if an employee is already the subject of disciplinary or other action, such action will be halted as a result of such employee's whistle-blowing.

7.2 Whistle Blowing Confidentially

The NWDC Group shall endeavour at all times to protect an individual's identity when he/she raises a concern but does not wish his/her identity to be disclosed. It should however be appreciated that the investigation process may unintentionally discover the source of the information and if it does, that a statement by the employee or external party concerned may be required as part of the evidence. However, no person may be compelled to give evidence in terms of this policy or be denied the right to have his/her identity not disclosed without his/her consent.

7.3 Whistle Blowing Anonymously

7.3.1 The NWDC Group encourages an employee or external party to state his/her name to the concerns raised. However, the whistle-blower is at liberty to provide an anonymous email address on which he/she may be contacted should further information be required during the course of the investigation. A concern expressed anonymously and without contact details is difficult to investigate. Nevertheless, it will be followed up at the discretion of The NWDC Group. This discretion will be exercised by taking into account:

- 7.3.1.1 the seriousness of the concern raised;
- 7.3.1.2 the credibility of the concern; and
- 7.3.1.3 the likelihood of confirming the concern.

7.4 Whistle Blowing Maliciously

Employees and external parties are discouraged from making allegations which are false and/or with malicious intent. In instances where such allegations are proven to be untrue and malicious or vexatious, the employee who made such allegations shall be subjected to disciplinary action, while appropriate action shall be taken in the case of external parties.

8. WHO CAN RAISE A CONCERN?

Any employee of the NWDC Group or any external party who has reasonable doubt that there is corruption or unethical conduct relating to any of the protected matters specified in the preceding paragraphs. Concerns must be raised in good faith, without malice and not for personal gain and the information so disclosed, deserves investigation.

The concerns raised may affect any employee of the NWDC Group or its related parties or external parties.

9. GUIDELINES FOR REPORTING OF CONCERNS

9.1 As a general rule, concerns may be raised by leaving an anonymous message through the company fraud hotline channel indicated on the cover page of this policy document or through other suggested channels. If raised anonymously and through the company fraud hotline channel, the entry will be investigated and followed up by the company's Internal Audit division.

However, should direct and open reporting be preferred by the employee or external party, it may be under the procedures detailed below:

9.1.1 In respect of minor issues (e.g. personal use of the NWDC Group equipment, vehicle, etc.), an employee or external party should preferably raise the concerns with the immediate line manager of the employee who is the subject of the concern.

However, such employee or external party is still free and entitled to make use of the anonymous whistle-blowing channel.

- 9.1.2 Ordinarily, the first step in the whistle-blowing process will be for the employee to approach his/her immediate manager, or alternatively to inform the Risk Manager about the concern.
- 9.1.3 In the case where a member of Senior Management be the subject of the concern, both the Chairpersons of the Risk Management Committee and the Audit & Risk Management Committee should be informed.
- 9.1.4 If the concern is found to be of substance, the individual(s) with whom the concern was raised shall act promptly in accordance with the relevant policies and procedures of the NWDC Group.
- 9.1.5 The concerns of external parties can be reported to the Risk Manager who shall deal with the matter promptly in accordance with the relevant policies and procedures of the NWDC Group.
- 9.1.6 Preferably, the concerns should be raised in writing, but can also be reported anonymously through the company fraud hotline channel as previously indicated. The background and history of the concern, including names, dates and places where possible, as well as the reason why the whistle blower is particularly concerned about the situation should be stated. The earlier the concern is reported, the easier it is to take action.
- 9.1.7 A whistle-blower is not expected to prove the truth of his/her allegation(s); however, he/she shall demonstrate to the person contacted that there are sufficient grounds for concern.
- 9.1.8 Advice and guidelines on how matters of concern may be pursued, can be obtained from the Risk Manager.

10. HOW CONCERNS SHOULD BE DEALT WITH

- 10.1 The action to be taken by the NWDC Group will depend on the nature of the concern. Amongst others, the concerns raised may be:
 - 10.1.1 investigated internally; and/or
 - 10.1.2 referred to the SAPS or other relevant law
- 10.2 The concern raised will be acknowledged in writing within two (2) working days of the concern being received through the channels and reporting template provided and if contact numbers have been left or stated.
- 10.3 Written concerns can be hand delivered at any office of the NWDC Group or posted to the addresses of such offices in sealed envelope/s or well secured package/s, but made to the attention of the

individuals/officials referred to in 8.1.1, 8.1.2, 8.1.3 and 8.1.5 above. The various addresses for the NWDC Group is obtainable from the website <https://www.nwdc.co.za>.

- 10.4 Upon receiving a concern from a whistle-blower, the NWDC Group must:
 - 10.4.1 Enter the concern in the Whistle-blowing Register;
 - 10.4.2 Initiate a preliminary enquiry. Should the results of the preliminary review indicate the need for further investigation, to refer the matter to the appropriate Department, internal or external auditors, or any other relevant party.
- 10.5 The amount of contact between the body investigating the issues and the whistle blower will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information may be sought from the whistle-blower (where possible).
- 10.6 The NWDC Group unfortunately cannot undertake to automatically provide feedback to the whistle-blower on the outcome of the investigation of the complaint due to factors such as anonymity of the whistle-blower, legal restrictions on distribution of privileged information and related considerations. Requests for feedback are therefore considered on a case by case basis in consultation, where necessary, with the Legal Advisors and/or other relevant parties. However, if the whistle blower finds no joy in the pursued routes, disclosure of the concern may be done to persons outside the organisation, for example, a police official of the South African Police Service.
- 10.7 The NWDC Group accepts that every whistle blower needs to be assured that the matter has been properly addressed. However, the progress made with investigations shall be handled in a confidential manner and shall not be disclosed to or discussed with any persons who have no legitimate claim to such information. This is important in order to avoid damaging the reputation of a suspected person who may subsequently be found to be innocent of the alleged wrongful conduct.
- 10.8 In some instances, the whistle blower may first wish to obtain legal advice prior to providing a detailed disclosure when requested, in that event, such wish should be granted.

11. CREATING AWARENESS

- 11.1 In order to be sustainable, the Policy must be supported by a structured education, communication and awareness programme.

11.2 Managers shall be responsible for ensuring that all employees under their control are made aware of and receive the relevant policy documentation.

11.3 The responsibility of Managers as stipulated in 10.2 above, must form part and parcel of their performance agreements.

12. CUSTODIAN OF THE POLICY

The custodian of the Policy is the Risk Manager, who shall be responsible for the administration, revision, interpretation, as well as implementation and monitoring of compliance with the Policy. The Risk Manager, in cooperation with the Internal Audit Division, shall maintain a record of all concerns raised as well as of the outcome of all actions taken. This shall be done in such a manner as not to compromise confidentiality and to ensure compliance with the applicable legislative and policy requirements.

13. EFFECTIVE DATE & REVIEW CYCLE

This policy will be in force with effect from date of approval by the Accounting Officer and will be reviewed every three (3) years but coinciding with the commencement of a new financial year.

14. DOCUMENT METADATA

Metadata summarizes basic information about data, which can make finding and working with particular instances of data easier.

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Document Author/s	Risk Officer/Risk Manager
Date of first draft	20 September 2017
<u>Visibility:</u>	
Display on company server	√
Display on public web	√

15. ANNEXURE A

REPORTING TEMPLATE

Name of the whistle blower	Contact details	Concern reported	Date of reporting

NOTES
