

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 20 of this Circular apply throughout this Circular, including these cover pages (unless the context indicates otherwise).

Action required

- This Circular is important and should be read with particular attention to the section entitled “Action required by Shareholders in respect of the Scheme”, which commences on page 7 and the section entitled “Action required by Shareholders in respect of the Standby General Offer”, which commences on page 12.
- If you are in any doubt as to the action you should take arising from this Circular, please consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
- If you have disposed of all or any of your Shares, please forward this Circular to the purchaser of such Shares or to the Broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.

Massmart and Walmart do not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Shares to notify such beneficial owner of the transactions set out in this Circular or to take any action on behalf of such beneficial owner.

Massmart
powered by **Walmart** 

Massmart Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1940/014066/06)
JSE Ordinary Share code: MSM
ISIN: ZAE000029534
 (“Massmart” or the “Company”)

Walmart 

Walmart Inc.

(Incorporated in the State of Delaware, United States of America)
Traded on the New York Stock Exchange under symbol “WMT”
(acting through its indirect wholly-owned subsidiary
Main Street 830 Proprietary Limited)
(Registration number: 2010/016839/07)
 (“Walmart”)

COMBINED CIRCULAR TO SHAREHOLDERS

regarding:

- the single offer by Walmart to acquire the Massmart Shares, other than those Shares held by Walmart and the Treasury Shares, by way of:
 - a scheme of arrangement in terms of section 114(1) read with section 115 of the Companies Act, proposed by the Massmart Board between Massmart and the Shareholders in terms of which, if implemented, Walmart will acquire all of the Scheme Shares for a cash consideration of R62.00 per Scheme Share; or;
 - if the Scheme fails to be implemented in accordance with its terms, a general offer by Walmart to the Shareholders in terms of section 117(1)(c)(v) of the Companies Act and paragraph 1.15(c) of section 1 of the Listings Requirements to acquire all of the Standby General Offer Shares for a cash consideration of R62.00 per Standby General Offer Share; and
- the delisting of all the Massmart Shares from the main board of the JSE pursuant to the implementation of the Scheme, or, if the Scheme fails to be implemented, pursuant to the Delisting Resolution being approved and Standby General Offer being implemented, unless the provisions of section 124 of the Companies Act are invoked by Walmart then the delisting shall occur following the Standby General Offer being implemented,

and incorporating:

- the Independent Expert’s Report;
- a notice convening the General Meeting;
- a Form of Proxy (*yellow*) for use by Certificated Shareholders and Own-Name Dematerialised Shareholders;

- a Form of Surrender and Transfer (*blue*) for use by Certificated Shareholders only;
- a Form of Acceptance and Transfer (*pink*) in respect of the Standby General Offer for use by Certificated Shareholders only; and
- extracts of section 115 of the Companies Act dealing with the approval requirements for fundamental transactions, section 164 of the Companies Act dealing with Shareholders' Appraisal Rights and section 124 of the Companies Act dealing with compulsory acquisitions.

**Financial Advisor and Transaction
Sponsor to Massmart**



Independent Expert



**Legal and Tax Advisor to
Massmart**



Financial Advisor to Walmart



Legal and Tax Advisor to Walmart

WEBBER WENTZEL

in alliance with > **Linklaters**

Date of issue: **Thursday, 22 September 2022**

This Circular is available in English only. A copy hereof may be obtained during normal business hours from the Company at the address set out in the "Corporate Information and Advisors" section of this Circular from the date of posting of this Circular until the earlier of (i) the Scheme Implementation Date or (ii) if the Standby General Offer becomes effective, the Standby General Offer Closing Date. An electronic version of this Circular will also be available on the Company's website <https://www.massmart.co.za/> from Thursday, 22 September 2022.

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Place of incorporation: South Africa
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IMPORTANT LEGAL NOTICES

The definitions and interpretations commencing on page 20 of this Circular shall apply, *mutatis mutandis*, to this section (unless the context indicates otherwise).

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

DISCLAIMER

The release, publication or distribution of this Circular in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Circular is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws or other legal requirements of any such jurisdiction. To the fullest extent permitted by law, Massmart, Massmart's directors, Walmart and Walmart's directors, as well as Massmart's and Walmart's advisors disclaim any responsibility or liability for the failure by any person to inform themselves of or to observe or for any violation of such requirements by any such person. This Circular is not intended to and does not constitute, or form part of, any offer, invitation or the solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the acquisition of securities contemplated hereby or otherwise nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of Applicable Laws.

To the extent that the distribution of this Circular in certain jurisdictions outside South Africa may be restricted or prohibited by the laws of such foreign jurisdiction, then this Circular is deemed to have been provided for information purposes only and neither Massmart, Massmart's directors, Walmart and Walmart's directors, nor Massmart's and Walmart's advisors, accept any responsibility for any failure by any person to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

FOREIGN SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws in South Africa, including but not limited to the Listings Requirements, the Companies Act and the Companies Regulations and is published in terms thereof. The information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular is not intended to and does not constitute or form part of an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful or in which securities may not be offered or sold without registration or an exemption from registration. This Circular does not constitute a prospectus or a prospectus-equivalent document. Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme and the Standby General Offer, with care. Any decision to approve the Scheme, or to accept the Standby General Offer, together with the relevant Resolutions or other response to the proposals should be made only on the basis of the information in this Circular.

The Scheme and the Standby General Offer, which are the subject of this Circular, may be affected by the laws of the relevant jurisdictions of Foreign Shareholders. Foreign Shareholders must satisfy themselves as to the full observance of any applicable laws concerning the receipt of the Scheme Consideration or the Standby General Offer Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Foreign Shareholders who are in any doubt as to their positions should consult their professional advisors immediately.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Massmart and/or the Group that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the media industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources; and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditure, acquisition strategy, and expansion prospects for future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Massmart cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Massmart, the Group and/or Walmart operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All forward-looking statements in respect of Massmart and/or the Group are based on estimates and assumptions made by Massmart and/or the Group which, although Massmart believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, assumptions or statements including other matters not yet known to Massmart or not currently considered material by Massmart.

Massmart Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors may emerge from time to time that could cause the business of Massmart and/or the Group not to develop as expected and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Massmart has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of issue of this Circular, except as may be required by law.

ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE SCHEME

This Circular is important and requires your immediate attention. The actions you need to take are set out below.

The definitions and interpretations commencing on page 20 of this Circular shall apply, *mutatis mutandis*, to this section (unless the context indicates otherwise).

Please take careful note of the following provisions regarding the action required by Shareholders in respect of the Scheme:

- If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
- If you have disposed of your Shares, this Circular should be forwarded to the purchaser of such Shares or to the Broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.
- In order for the Scheme to become operative, among other things, the Scheme Resolution must be adopted at the General Meeting.
- The Independent Board and the Massmart Board have unanimously recommended that Shareholders **vote in favour** of the Scheme Resolution.

I. GENERAL MEETING

The General Meeting will be held at the Company's registered office, Massmart House, 16 Peltier Drive, Sunninghill Ext 6, Gauteng, 2196 at 10:00 on Friday, 21 October 2022 (or any other adjourned or postponed date and time in accordance with the provisions of section 64(11) of the Companies Act and the MOI, read with the Listings Requirements), to consider and, if deemed fit, approve, with or without modification, the Resolutions set out in the Notice. Shareholders wishing to participate by way of electronic communications at the meeting are referred to part D below titled "Electronic participation at the General Meeting" for details on electronic participation.

II. VOTING AND ATTENDANCE AT THE GENERAL MEETING

A. Dematerialised Shareholders without own-name registration

1. If you (or the relevant holder of voting rights as contemplated in section 57(1) of the Companies Act) wish to attend, participate and vote at the General Meeting, you (or the relevant holder of voting rights) should instruct your CSDP or Broker to issue to you (or the relevant holder of voting rights) the necessary letter of representation to attend the General Meeting in person (to be submitted to the Transfer Secretary together with your Electronic Participation Application Form, if applicable), in the manner stipulated in the Custody Agreement. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.
2. If you (or the relevant holder of voting rights) do not wish to, or are unable to attend the General Meeting, but wish to have the voting rights attaching to the Massmart Shares in respect of which you are the beneficial interest holder exercised at the General Meeting, you (or the relevant holder of voting rights) should provide the CSDP or Broker with your voting instructions in the manner stipulated in the Custody Agreement. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature. If the CSDP or Broker does not obtain voting instructions, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement.
3. You must **NOT** complete the attached Form of Proxy (*yellow*).

B. Own-Name Dematerialised Shareholders

1. Subject to section 57(1) of the Companies Act, you may attend the General Meeting and may vote at the General Meeting.
2. If you (or the person entitled to do so in terms of section 57(1) of the Companies Act, as the case may be) do not wish to or are unable to attend the General Meeting and wish to be represented thereat, you (or such person) must complete and return the attached Form of Proxy (yellow) in accordance with the instructions therein. It is recommended that the Form of Proxy (yellow) is received by the Transfer Secretary by no later than 48 hours before (excluding weekends and South African public holidays) the General Meeting that is to be held at 10:00 on Friday, 21 October 2022, i.e. by 10:00 on Wednesday, 19 October 2022. Shareholders or their duly authorised proxies who wish to participate in the General Meeting by way of electronic participation must register to do so by lodging a completed Electronic Participation Application Form with the Transfer Secretary as soon as possible after receipt of this notice, preferably by no later than 10:00 on Wednesday, 19 October 2022.
3. Forms of Proxy not lodged with the Transfer Secretary by 10:00 on Wednesday, 19 October 2022, may be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the relevant Shareholder at the General Meeting.

C. Certificated Shareholders

1. Subject to sections 56 and 57 of the Companies Act, you may attend, speak and vote at the General Meeting in person.
2. If you (or the relevant holder of voting rights contemplated in section 57(1) of the Companies Act, as the case may be) do not wish to or are unable to attend the General Meeting and wish to be represented thereat, you (or such person) must complete and return the attached Form of Proxy (*yellow*) in accordance with the instructions therein. It is recommended that the Form of Proxy (*yellow*) is received by the Transfer Secretary by no later than 48 hours before (excluding weekends and South African public holidays) the General Meeting that is to be held at 10:00 on Friday, 21 October 2022 i.e. by 10:00 on Wednesday, 19 October 2022.
3. Forms of Proxy not lodged with the Transfer Secretary by 10:00 on Wednesday, 19 October 2022, may be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.

D. Electronic participation at the General Meeting

1. Massmart Shareholders or their proxies may participate in the General Meeting by way of electronic communication. Any Shareholders (or representative or proxy) who wish to participate in the General Meeting by way of electronic participation will be required to complete the Electronic Participation Application Form and should email same to the Transfer Secretary at proxy@computershare.co.za as soon as possible after receipt of this notice, but for administrative reasons and in order to avoid delays in ensuring that the relevant Shareholder is provided with all instructions required to enable it to attend the General Meeting, Shareholders are requested to email the completed form by no later than 10:00 on Wednesday, 19 October 2022. If a Shareholder emails such form after the aforementioned date and time but before the commencement of the General Meeting, such Shareholders should be aware that there may be delays in granting such Shareholders the necessary access to attend the General Meeting in time. Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to join and participate in the General Meeting, as noted on the first page of notice convening the General Meeting. Massmart will inform the Shareholders who have notified the Company of their intended participation in accordance with this paragraph, by no later than 16:00 on Wednesday, 19 October 2022 by email of the relevant details through which the Shareholders can participate electronically.
2. Upon receipt of a duly completed Electronic Participation Application Form together with an acceptable form of identification (described below), Massmart's Transfer Secretary will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the General Meeting.

3. Meeting participants will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of Walmart, the Company or its Transfer Secretary who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any such Shareholder or their proxy from participating in and/or voting at the General Meeting. Further guidance on attending the General Meeting can be obtained from the Company's Transfer Secretary.
4. Shareholders may participate in the General Meeting using the Lumi online platform and will be able to vote between the commencement of the meeting and the closure of voting as announced by the chairperson during the General Meeting. More information regarding online participation at the General Meeting (including how to vote and ask questions online during the General Meeting) will be made available at <https://www.massmart.co.za/>.

III. GENERAL

A. Approval of the Scheme and the General Meeting

The Scheme must be approved by a Special Resolution, in accordance with sections 114(1) and 115(2)(a) of the Companies Act, at the General Meeting, at which sufficient Shareholders are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of the Scheme Resolution. In order to be approved, the Scheme Resolution must be supported by at least 75% of the voting rights exercised thereon. Walmart, its associates, any party related to Walmart and any person acting in concert with Walmart will not be entitled to vote at the General Meeting.

B. Court approval

1. Massmart Shareholders are advised that, in accordance with section 115(3) of the Companies Act, Massmart may in certain circumstances not proceed to implement the Scheme Resolution, despite the fact that it will have been adopted at the General Meeting, without the approval of the Court.
2. A copy of section 115 of the Companies Act pertaining to the required approval for the Scheme is set out in Annexure 6 to this Circular.

C. Dissenting Shareholders

1. A Massmart Shareholder who is entitled to vote at the General Meeting is entitled to seek relief under section 164 of the Companies Act if that Shareholder complied with the requirements in section 164 of the Companies Act, including that it:
 - a) notified Massmart in advance in writing of its intention to oppose the Scheme Resolution;
 - b) was present at the General Meeting;
 - c) voted against the Scheme Resolution;
 - d) sent Massmart a demand contemplated in section 164(5) of the Companies Act; and
 - e) complied with the remaining requirements in section 164 of the Companies Act.
2. A copy of section 164 of the Companies Act pertaining to Shareholders' Appraisal Rights is set out in Annexure 6 to this Circular and a summary is contained in paragraph 10.6 of Section B of this Circular.

IV. TRP APPROVALS

Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of "*affected transactions*", as defined in section 117(1)(c) of the Companies Act, when it approves such transactions.

V. **LOST OR DESTROYED DOCUMENTS OF TITLE IN RESPECT OF CERTIFICATED SHAREHOLDERS**

- A. If Documents of Title have been lost or destroyed, Certificated Shareholders should nevertheless return the Form of Surrender and Transfer (*blue*) duly signed and completed. The Transfer Secretary shall issue a suitable indemnity form to such Certificated Shareholder, such indemnity form to be in a form and substance acceptable to Massmart and Walmart, and Walmart and the Transfer Secretary must be satisfied that the Documents of Title have been lost or destroyed.
- B. Only upon receipt of such indemnity form duly completed and signed by such Certificated Shareholder (to be received by 10:00 on the Scheme Record Date) will Massmart consider the action taken by such Certificated Shareholder in terms of the Scheme.

VI. **SURRENDER OF DOCUMENTS OF TITLE**

A. **Dematerialised Shareholders**

If you hold Dematerialised Shares, you do not have to surrender any Documents of Title. This will be done by your CSDP or Broker. You must **NOT** complete the attached Form of Surrender and Transfer (*blue*).

B. **Certificated Shareholders**

- 1. If you are a Certificated Shareholder and the Scheme becomes operative, you will be required to surrender your Documents of Title in respect of all of your Scheme Shares in order to claim the Scheme Consideration payable to you.
- 2. If you wish to expedite receipt of the Scheme Consideration and surrender your Documents of Title in anticipation of the Scheme becoming operative, you should complete the attached Form of Surrender and Transfer (*blue*) and return it, together with the relevant Documents of Title relating to all of your Scheme Shares, in accordance with the instructions contained therein, to the Transfer Secretary at the Transfer Secretary's address set out in the Corporate Information and Advisors section of this Circular on page 1.
- 3. If the Documents of Title relating to any Scheme Shares to be surrendered are lost or destroyed, Walmart may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to Walmart that the Documents of Title to the Scheme Shares in question have been lost or destroyed, and upon provision of a suitable indemnity on terms satisfactory to Massmart and Walmart. Accordingly, if the Documents of Title in respect of any of your Scheme Shares have been lost or destroyed, you should nevertheless return the attached Form of Surrender and Transfer (*blue*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretary.
- 4. Should you surrender your Documents of Title in anticipation of the Scheme becoming operative and the Scheme then does not become operative and you do not accept the Standby General Offer within the stipulated time frame, or the Standby General Offer does not become unconditional, then the Transfer Secretary shall return the Documents of Title to you, by registered post, at your own risk within five Business Days of the later of (i) the date on which you reject or are deemed to have rejected the Standby General Offer, (ii) if you accepted the Standby General Offer but the Standby General Offer does not become unconditional, then on the day on which it is announced that the Standby General Offer has failed, and (iii) the date on which the Documents of Title are received by the Transfer Secretary.

VII. **DEMATERIALIZATION OR RE-MATERIALIZATION OF AND TRADING IN SCHEME SHARES**

- A. If you wish to Dematerialise your Scheme Shares, please contact the Transfer Secretary or your Broker or CSDP. You are not required to Dematerialise your Shares in order to participate in the Scheme.
- B. You should note that once you have surrendered your Documents of Title in respect of your Scheme Shares, in anticipation of the Scheme becoming operative, you may not Dematerialise or trade any of the Scheme Shares to which those Documents of Title relate.
- C. Subject to the immediately preceding paragraph B, no Dematerialisation or re-materialisation of Scheme Shares may take place:
 - 1. from the Business Day following the last day to trade prior to the General Meeting up to and including the General Meeting Record Date in respect of the General Meeting; and
 - 2. if the Scheme becomes operative, on or after the Business Day following the Scheme Last Day to Trade.
- D. Should the Scheme not become operative and:
 - 1. you have not accepted the Standby General Offer in respect of all of your Standby General Offer Shares by the Standby General Offer Closing Date, the Transfer Secretary shall, within five Business Days of either the Standby General Offer Closing Date or on receipt by the Transfer Secretary of the required Documents of Title, whichever is the later, return the Documents of Title to you, by registered post or courier, at your own risk; or
 - 2. you have accepted the Standby General Offer in respect of all of your Standby General Offer Shares but the Standby General Offer does not become unconditional in all respects, the Transfer Secretary shall, within five Business Days of either the date upon which it becomes known that the Standby General Offer will not be implemented or on receipt by the Transfer Secretary of the required Documents of Title, whichever is the later, return the Documents of Title to you, by courier, at your own risk.

VIII. **FOREIGN SHAREHOLDERS**

If you are a Foreign Shareholder, you are urged to read the important information relating to the Scheme described in this Circular. If you are in doubt about your position, you should consult your professional advisor in the relevant jurisdiction.

IX. **POSTING FORMS OF SURRENDER AND TRANSFER AND DOCUMENTS OF TITLE**

Forms of Surrender and Transfer (*blue*), and Documents of Title that are sent through the post are sent at the risk of the Shareholder concerned. Accordingly, Shareholders should take note of postal delivery times so as to ensure that the forms and relevant Documents of Title are received timeously. It is, therefore, recommended that such forms and Documents of Title rather be sent by courier or delivered by hand to the Transfer Secretary.

X. **OTHER**

The contents of this Circular do not purport to constitute personal legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Scheme or any other matter for each Shareholder. Shareholders are accordingly advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the Scheme or any other matter and in particular the receipt of the Scheme Consideration, as applicable.

Massmart and Walmart do not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of Scheme Shares to notify the holder of any beneficial interest in those Scheme Shares in respect of the Scheme or any other matter set out in this Circular.

ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE STANDBY GENERAL OFFER

The definitions and interpretations commencing on page 20 of this Circular shall apply, *mutatis mutandis*, to this section (unless the context indicates otherwise).

Please take careful note of the following provisions regarding the actions required by Shareholders in respect of the Standby General Offer:

- If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
- If you have disposed of all your Shares, this Circular should be forwarded to the purchaser of such Shares or to the Broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.
- In order for the Standby General Offer to become operative, the Standby General Offer must become unconditional.

The Independent Board and the Massmart Board unanimously recommend that Shareholders **accept** the Standby General Offer and **vote in favour** of the Delisting Resolution (provided that if Walmart invokes the provisions of section 124 of the Companies Act the Delisting Resolution will not be required).

The Standby General Offer and the implementation of the Standby General Offer will only come into effect if the Scheme does not become operative.

For the avoidance of doubt, Eligible Shareholders will be entitled to accept the Standby General Offer from 09:00 on the Standby General Offer Opening Date, however, any Standby General Offer Shares Tendered will not be acquired by Walmart until such time as the Standby General Offer is implemented, which is conditional, *inter alia*, on the Scheme not becoming operative and the Standby General Offer becoming wholly unconditional.

Eligible Shareholders shall be entitled to either:

- accept the Standby General Offer in respect of all (not a portion) of their Standby General Offer Shares (accordingly no partial acceptances will be accepted); or
- reject the Standby General Offer.

Shareholders who wish to reject the Standby General Offer do not need to take any further action and will continue to hold their Shares and will be deemed to be Remaining Shareholders. Remaining Shareholders are advised that in the event that the Standby General Offer is implemented and the Delisting Resolution is approved they will remain Massmart Shareholders in the unlisted company, with the tradability of their Massmart Shares being limited, and will be issued certificates in respect of their Massmart Shares, unless Walmart invokes the provisions of section 124 of the Companies Act in which case the Delisting Resolution will not be required and there shall be no Remaining Shareholders.

If you wish to accept the Standby General Offer, you must do so in the manner described below, depending on whether you are a Certificated Shareholder or a Dematerialised Shareholder.

I. GENERAL MEETING, VOTING AND ATTENDANCE AT THE GENERAL MEETING

Shareholders are referred to section II of "Action required by Shareholders in respect of the Standby General Offer" to ascertain the action required by Shareholders in respect of the General Meeting. For purposes of implementation of the Standby General Offer, Shareholders will be required only to give effect to the Delisting Resolution at the General Meeting.

The Delisting Resolution will be required to be approved at the General Meeting but will only become necessary to the extent that the Scheme fails to be implemented and the Standby General Offer is implemented (unless the provisions of section 124 of the Companies Act are invoked by Walmart pursuant to which the delisting shall occur without the Delisting Resolution being approved). It being noted for the avoidance of doubt that the Standby General Offer does not need to be approved at a meeting of Shareholders but rather accepted in accordance with the following provisions in order to be implemented.

II. ACTION REQUIRED IN RESPECT OF THE STANDBY GENERAL OFFER

A. Dematerialised Shareholders

1. If you are a Dematerialised Shareholder, you may be contacted by your duly appointed CSDP or Broker in the manner stipulated in the Custody Agreement and subject to the cut-off time in order to ascertain whether or not you wish to accept the Standby General Offer. If you wish to accept the Standby General Offer, you must notify your CSDP or Broker of your acceptance of the Standby General Offer in the time and manner stipulated in the Custody Agreement.
2. If you are a Dematerialised Shareholder and wish to accept the Standby General Offer, but have not been contacted by your CSDP or Broker, it would be advisable for you to contact and furnish your CSDP or Broker with instructions in regard to the acceptance of the Standby General Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in your Custody Agreement, and must be communicated by your CSDP or Broker to the Transfer Secretary by no later than 12:00 on the Standby General Offer Closing Date.
3. You must **NOT** complete the attached Form of Acceptance and Transfer (*pink*).
4. If you notify your CSDP or Broker of your desire to accept the Standby General Offer, you will **NOT** be able to re-materialise and/or trade your Shares from the date on which you have notified your CSDP or Broker of your acceptance of the Standby General Offer until such time as the Standby General Offer lapses.

B. Certificated Shareholders

1. If you are a Certificated Shareholder and wish to accept the Standby General Offer, you must complete the Form of Acceptance and Transfer (*pink*) attached to this Circular in accordance with its instructions and return it, together with your Documents of Title to be received by the Transfer Secretary, to the Transfer Secretary at the Transfer Secretary's address set out in the "Corporate Information and Advisors" section of this Circular on page 1, by no later than 12:00 on the Standby General Offer Closing Date.
2. If you accept the Standby General Offer and surrender your Documents of Title, you will **NOT** be able to Dematerialise and/or trade your Standby General Offer Shares from the date that you have surrendered your Documents of Title in respect of those Standby General Offer Shares until such time as the Standby General Offer lapses.

C. Approval of the Delisting at the General Meeting

1. The Delisting must be approved by Ordinary Resolution at the General Meeting, at which sufficient Shareholders are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised at the General Meeting, in accordance with paragraphs 1.15(a) and 1.16 of the Listings Requirements. In order to be approved, the Ordinary Resolution must be supported by at least 75% of voting rights exercised thereon.
2. In accordance with paragraph 1.16 of the Listings Requirements, Walmart (as the offeror) and its associates, and any parties acting in concert with Walmart in terms of the Takeover Regulations, will not be entitled to vote at the General Meeting.

III. **GENERAL**

A. **Compulsory acquisition**

In the event that the Standby General Offer is implemented and is accepted by Shareholders holding at least 90% of the Standby General Offer Shares, Walmart may, at its election, invoke the provisions of section 124 of the Companies Act, to compulsorily acquire all the Standby General Offer Shares held by the Remaining Shareholders, as further detailed in paragraph 20 of this Circular and Annexure 7 to this Circular. Should Walmart not elect to invoke the provisions of section 124 of the Companies Act, and the Standby General Offer becomes unconditional and implemented, Eligible Shareholders who have not accepted the General Offer will remain shareholders in Massmart and be deemed to be Remaining Shareholders. If an Eligible Shareholder does not wish to accept the Standby General Offer in respect of any of the Standby General Offer Shares held by them, they do not need to take any further action, and should the provisions of section 124 of the Companies Act not be invoked by Walmart, such Eligible Shareholders will become Remaining Shareholders upon the Standby General Offer becoming unconditional and implemented.

B. **Dematerialisation or re-materialisation of and trading in Massmart Shares**

1. If you wish to Dematerialise your Massmart Shares, please contact the Transfer Secretary or your Broker or CSDP. You are not required to Dematerialise your Standby General Offer Shares in order to participate in the Standby General Offer or to receive the Standby General Offer Consideration.
2. You should note that, once you have surrendered your Documents of Title in respect of your Standby General Offer Shares, pursuant to your acceptance of the Standby General Offer, you may not Dematerialise or trade any of the Standby General Offer Shares to which those Documents of Title relate.
3. Furthermore, you should note that, after acceptance of the Standby General Offer you may not Dematerialise or trade any of the Standby General Offer Shares in respect of which the Standby General Offer has been accepted.
4. For the avoidance of doubt, you may not, after acceptance of the Standby General Offer, instruct any Broker or CSDP to hold your Standby General Offer Shares in respect of which the Standby General Offer has been accepted as nominee on your behalf or, where such Standby General Offer Shares are already held by the Broker or CSDP as nominee, request the Broker or CSDP to release the Standby General Offer Shares in respect of which the Standby General Offer has been accepted.
5. No Dematerialisation or re-materialisation of Massmart Shares may take place:
 - a) from the date on which you have notified your CSDP or Broker of your desire to accept the Standby General Offer until the Standby General Offer lapses; and
 - b) if the Standby General Offer is declared unconditional, on or after the Business Day following the Standby General Offer Last Day to Trade.

IV. **TRP APPROVAL**

Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of "affected transactions", as defined in section 117(1)(c) of the Companies Act, when it approves such transactions.

V. **LOST OR DESTROYED DOCUMENTS OF TITLE IN RESPECT OF CERTIFICATED SHAREHOLDERS**

- A. If Documents of Title have been lost or destroyed, Certificated Shareholders should nevertheless return the Form of Acceptance and Transfer (*pink*) duly signed and completed. The Transfer Secretary shall issue a suitable indemnity form to such Certificated Shareholder, such indemnity form to be in a form and substance acceptable to Massmart and Walmart and Walmart and the Transfer Secretary must be satisfied that the Documents of Title have been lost or destroyed.

- B. Only upon receipt of such indemnity form duly completed and signed by such Certificated Shareholder to be received by 12:00 on the Standby General Offer Closing Date, will Walmart consider the action taken by such Certificated Shareholder in terms of the Standby General Offer.

VI. **FOREIGN SHAREHOLDERS**

If you are a Foreign Shareholder, you are urged to read the important information, relating to the Standby General Offer described in this Circular. If you are in doubt about your position, you should consult your professional advisor in the relevant jurisdiction.

VII. **POSTING FORMS OF ACCEPTANCE AND TRANSFER AND DOCUMENTS OF TITLE**

Forms of Acceptance and Transfer (*pink*), and Documents of Title that are sent through the post are sent at the risk of the Shareholder concerned. Accordingly, Shareholders should take note of postal delivery times so as to ensure that the forms and relevant Documents of Title are received timeously. It is therefore recommended that such forms and Documents of Title rather be sent by registered post or delivered by hand or courier to the Transfer Secretary.

VIII. **NOTICE TO SHAREHOLDERS IN THE UNITED STATES**

- A. The Proposed Transaction is, in the first instance, intended to be an acquisition of the securities of a South African company by means of a scheme of arrangement provided for under the law of South Africa. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the United States (“**US**”) Securities Exchange Act of 1934, as amended (“**US Exchange Act**”). Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in South Africa to schemes of arrangement, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this Circular and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if the Proposed Transaction is implemented by means of the Standby General Offer, and Walmart elects to extend the Standby General Offer into the US, such Standby General Offer would be made in compliance with applicable US laws and regulations, including section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such a Standby General Offer would be made in the US by Walmart and no one else.
- B. If the Proposed Transaction is implemented by means of the Standby General Offer, in accordance with normal South African practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Walmart, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Massmart shares outside of the US, other than pursuant to the Proposed Transaction, until the date on which the Standby General Offer becomes effective, lapses or is otherwise withdrawn. To the extent information about such purchases or arrangements to purchase is made public in South Africa, such information will be disclosed by means of an English language press release via means reasonably calculated to inform US Shareholders of such information. In addition, the financial advisors to Walmart may also engage in ordinary course trading activities in securities of Massmart in compliance with Rule 14e-5, which may include purchases or arrangements to purchase such securities.
- C. The Standby General Offer, if made, will be made to US Shareholders pursuant to Section 14(e) and Regulation 14E under the U.S. Exchange Act as a “Tier II” tender offer, and otherwise in accordance with the requirements of South African law. Accordingly, the Standby General Offer will be subject to disclosure and other procedural requirements, settlement procedures and timing of payments, that are different from those that would be applicable under US domestic tender offer procedures and law.

- D. Neither the Securities and Exchange Commission (“**SEC**”) nor any securities supervisory authority of any state or other jurisdiction in the US has approved or disapproved the Circular or reviewed it for its fairness, nor have the contents of the any other documentation relating to the Scheme, the Circular or the Standby General Offer been reviewed for accuracy, completeness or fairness by the SEC or any securities supervisory authority in the US. Any representation to the contrary is a criminal offence in the US.

IX. **OTHER**

- A. The contents of this Circular do not purport to constitute personal legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Standby General Offer or any other matter for each Shareholder. Shareholders are accordingly advised to consult their professional advisors about their personal, legal, regulatory and tax positions regarding the Standby General Offer or any other matter and in particular the receipt of the Standby General Offer Consideration, as applicable.
- B. Massmart and Walmart do not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of Standby General Offer Shares to notify the holder of any beneficial interest in those Standby General Offer Shares in respect of the Standby General Offer or any other matter set out in this Circular.

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 20 of this Circular apply, *mutatis mutandis*, to this section (unless the context indicates otherwise).

Record date to determine which Shareholders are entitled to receive this Circular on	Friday, 16 September 2022
Circular posted to Shareholders and notice convening the General Meeting published on SENS on	Thursday, 22 September 2022
Notice of posting of this Circular and notice of General Meeting published in the South African press on	Friday, 23 September 2022
Last day to trade in Shares in order to be recorded in the Register to attend, participate and vote at the General Meeting on (refer to note 3 below)	Tuesday, 11 October 2022
Record date for Shareholders to be recorded in the Register in order to be eligible to attend, participate and vote at the General Meeting on	Friday, 14 October 2022
Last day and time to lodge Forms of Proxy (<i>yellow</i>) with the Transfer Secretary by 10:00 on (refer to note 5 below)	Wednesday, 19 October 2022
Last date and time for Shareholders to give notice to Massmart objecting to the Scheme Resolution in terms of section 164(3) of the Companies Act by 10:00 on	Friday, 21 October 2022
Forms of Proxy (<i>yellow</i>) not lodged with Transfer Secretary to be handed to the Chairperson of the General Meeting before 10:00 on	Friday, 21 October 2022
General Meeting to be held at 10:00 on	Friday, 21 October 2022
Results of General Meeting published on SENS on or about	Friday, 21 October 2022
Results of General Meeting published in the South African press on or about	Monday, 24 October 2022

If the Scheme is approved at the General Meeting:

Last day for Shareholders who have voted against the Scheme to require Massmart to seek Court approval for the Scheme in terms of section 115(3) (a) of the Companies Act if the Scheme is approved by the Eligible Shareholders at the General Meeting but the Scheme Resolution was opposed by at least 15% of the voting rights that were exercised on the Scheme Resolution at the General Meeting (where applicable) on	Friday, 28 October 2022
Last day for Shareholders who have voted against the Scheme to be granted leave by a Court to apply for a review of the Scheme in terms of section 115(3)(b) of the Companies Act if the Scheme Resolution is approved by the Eligible Shareholders at the General Meeting (where applicable) on	Friday, 4 November 2022
Last day for Massmart to give notice of adoption of the Scheme Resolution approving the Scheme in terms of section 164(4) of the Companies Act to Dissenting Shareholders in accordance with section 164 of the Companies Act on	Friday, 4 November 2022

If the Scheme becomes unconditional (the following dates assume that no Court approval or review of the Scheme is required and will be confirmed in the finalisation announcement if the Scheme becomes unconditional):

Expected finalisation announcement with regard to the Scheme published on SENS (assuming no Shareholder exercises their right in terms of section 115(3)(a) or section 115(3)(b) of the Companies Act) on or about	Friday, 4 November 2022
Expected finalisation announcement published in the South African press on or about	Monday, 7 November 2022
Expected last day to trade in Shares on the JSE in order to participate in the Scheme on or about	Tuesday, 15 November 2022
Expected suspension of the listing of the Shares at the commencement of trade on the JSE on or about	Wednesday, 16 November 2022
Expected Scheme Record Date, being the date on which Shareholders must be recorded in the Register to participate in the Scheme, by close of trade on or about	Friday, 18 November 2022
Expected Scheme Implementation Date on or about	Monday, 21 November 2022
Scheme Consideration expected to be sent by EFT to Scheme Participants who are Certificated Shareholders and who have lodged their Form of Surrender and Transfer (<i>blue</i>) with the Transfer Secretary on or prior to 12:00 on the Scheme Record Date, on or about	Monday, 21 November 2022
Dematerialised Scheme Participants expected to have their accounts with their Broker or CSDP credited with the Scheme Consideration on or about	Monday, 21 November 2022
Expected date for the termination of listing of the Shares in terms of the Scheme at commencement of trade on the JSE on or about	Tuesday, 22 November 2022

If the Scheme does not become unconditional and the Standby General Offer is implemented:

Expected finalisation announcement published on SENS on	Friday, 21 October 2022
Expected Standby General Offer opening date on	Monday, 24 October 2022
Expected last day to trade to take up the Standby General Offer on	Tuesday, 1 November 2022
Expected suspension of the listing of the Shares at the commencement of trade on the JSE on or about	Wednesday, 2 November 2022
Expected Standby General Offer Record Date on	Friday, 4 November 2022
Expected General Offer Closing Date on (forms to be submitted by 12:00	Friday, 4 November 2022
Last date on which Standby General Offer Participants are expected to have their accounts with their Broker or CSDP credited with the Standby General Offer Consideration on or about	Monday, 7 November 2022
Expected last Standby General Offer payment date on	Monday, 7 November 2022
Expected termination of the listing of the Massmart Shares at commencement of trade on the JSE on	Tuesday, 8 November 2022

Notes:

1. The above dates and times may be amended by Massmart and Walmart (subject to the approval of the JSE and/or the TRP, if required). The dates have been determined based on certain assumptions regarding the date by which certain Shareholder and regulatory approvals will be obtained and that no Court approval or review of the Scheme Resolution will be required. Any change in the dates and times will be published on SENS.
2. All dates and times quoted in this document are South African dates and times.
3. Shareholders should note that, as transactions in the Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, Shareholders who acquire the Shares after close of trade on Tuesday, 11 October 2022, will not be eligible to attend, participate and vote at the General Meeting.
4. For purposes of being eligible to attend, participate and vote at the General Meeting, no Dematerialisation or re-materialisation of the Shares may take place between Wednesday, 12 October 2022 and Friday, 14 October 2022 both days inclusive.
5. A Form of Proxy (*yellow*) not lodged with the Transfer Secretary may be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.
6. If the General Meeting is adjourned or postponed, a Form of Proxy (*yellow*) submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
7. If the General Meeting is adjourned or postponed, Forms of Proxy (*yellow*) that have not yet been submitted should be lodged with the Transfer Secretary by no later than 48 hours before the adjourned or postponed General Meeting but may nonetheless be handed to the chairperson of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Shareholder at the adjourned or postponed General Meeting.
8. Should sufficient Shareholders vote against the Scheme Resolution at the General Meeting so that a Shareholder may require Massmart to obtain Court approval regarding the Scheme Resolution as contemplated in section 115(3)(a) of the Companies Act, and if a Shareholder in fact delivers such a request, the dates and times set out above will need to be amended. Shareholders will be notified separately of the applicable dates and times under this process.
9. If any Shareholder who votes against the Scheme Resolution exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to Court for a review of the Scheme, the dates and times set out above will need to be amended. Shareholders will be notified separately of the applicable dates and times under this process.
10. For the purpose of being eligible to participate in the (i) Standby General Offer, no Dematerialisation or re-materialisation of the Shares may take place after Tuesday, 1 November 2022 or (ii) Scheme, no Dematerialisation or re-materialisation of the Shares may take place after Tuesday, 15 November 2022.
11. The date of payment of the Scheme Consideration is expected to be Monday, 21 November 2022 in respect of Dematerialised Shareholders and in accordance with paragraph 10.4.2 of this Circular in respect of Certificated Shareholders.
12. Shareholders should note that the Court is open during the December holiday period to accept applications and notices in terms of sections 115 and 164 of the Companies Act.

DEFINITIONS AND INTERPRETATIONS

In this Circular, the Annexures hereto, the Notice, Form of Proxy (*yellow*), Form of Surrender and Transfer (*blue*) and Form of Acceptance and Transfer (*pink*), unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

“Alternative Proposal”	in respect of Massmart, and other than the Scheme and/or the Standby General Offer, any <i>bona fide</i> transaction, including without limitation an expression of interest, proposal or offer, merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of all or the majority of the assets or business of Massmart, recapitalisation, investment, share issue, reorganisation, liquidation or any similar transaction, or series of related transactions, which could reasonably be considered to be likely to preclude or frustrate the Scheme and/or the Standby General Offer or its implementation;
“Annexures”	the annexures attached to this Circular;
“Applicable Accounting Standards”	means: <ul style="list-style-type: none">• International Financial Reporting Standards; and• policies used by Massmart as at the date of signing of the Implementation Agreement in the preparation of the accounts or adopted by Massmart following the date of signing of the Implementation Agreement in order to comply with Applicable Laws and/or the Massmart Delegation of Authority;
“Applicable Laws”	any of the following, from time to time, to the extent it applies to Walmart, Massmart or the Implementation Agreement in respect of any applicable jurisdiction: <ul style="list-style-type: none">(i) any statute, regulation, policy, by-law, ordinance or subordinate legislation (including treaties, multinational conventions and the like having the force of law);(ii) the common law; (iii) any binding court order, judgment or decree;(iv) any applicable industry code, policy or standard enforceable by law; or(v) any applicable direction, policy or order that is given by any Authority;
“Appraisal Rights”	the rights afforded to Shareholders in terms of sections 115(8) and 164 of the Companies Act, which rights are more fully set out in paragraph 11 of Section B of this Circular and Annexure 6 to this Circular;
“Authorised Dealer”	a person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;
“Authority”	any country, national body, state, province, municipality, or subdivision of any of the foregoing, any governmental department, or agency, court, entity, commission, board, ministry, bureau, locality or authority of any of the foregoing, or any quasi-governmental or private body exercising any regulatory, taxing, importing, exporting, or other governmental or quasi-governmental function, including, without limitation, the SARB, FinSurv, the JSE and the TRP;
“B-BBEE”	broad-based black economic empowerment as contemplated in the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, including all regulations and relevant codes of good practice enacted, promulgated, gazetted or issued thereunder from time to time;
“B-BBEE Participants”	those Participants defined as “black people” under B-BBEE;
“Broker”	any person registered as a “broking member (equities)” in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or a public holiday in South Africa and/or the United States of America;

“Certificated Shareholders”	all registered holders of Certificated Shares;
“Certificated Shares”	Shares that have not been Dematerialised, the title to which is evidenced by a Document of Title, which have not been surrendered for Dematerialisation;
“Circular”	this bound document dated Thursday, 22 September 2022, including the Annexures hereto, the Notice, the Form of Proxy (<i>yellow</i>), the Form of Surrender and Transfer (<i>blue</i>) and the Form of Acceptance and Transfer (<i>pink</i>);
“Common Monetary Area”	South Africa, the Republic of Namibia, the Kingdom of Lesotho, and the Kingdom of eSwatini;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;
“Companies Regulations”	the Companies Regulations 2011, promulgated under section 223 of the Companies Act, as amended from time to time;
“Court”	any South African court with competent jurisdiction to approve or set aside the implementation of the Scheme Resolution pursuant to section 115 of the Companies Act and/or to review the Scheme Resolution and/or to determine the fair value of the Scheme Shares and make an order pursuant to section 164(14) of the Companies Act;
“CSDP”	a Central Securities Depository Participant, being a “participant” as defined in section 1 of the Financial Markets Act;
“Custody Agreement”	the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker, governing their relationship in respect of Dematerialised Shares held by a Dematerialised Shareholder on the Company’s uncertificated securities register and administered by a CSDP or Broker on behalf of that Dematerialised Shareholder;
“Delisting”	the termination of the listing of the Shares on the main board of the JSE, after the Scheme Implementation Date or the Standby General Offer Implementation Date, as applicable;
“Delisting Resolution”	the Ordinary Resolution to be proposed at the General Meeting, in the instance that the provisions of section 124 of the Companies Act are not invoked by Walmart, to approve the Delisting in terms of paragraphs 1.15(a) and 1.16 of the Listings Requirements, it being recorded for the avoidance of doubt that the Delisting Resolution shall not be required for the Scheme or if Walmart invokes the provisions of section 124 of the Companies Act;
“Dematerialise” or “Dematerialised” or “Dematerialisation”	the process whereby certificates held by Certificated Shareholders are converted or held in electronic form as uncertificated securities and recorded in a Sub-Register maintained by a CSDP or Broker;
“Dematerialised Shareholder”	Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares which have been Dematerialised or which were issued in Dematerialised form, and which are held on a Sub-Register of Shareholders administered by a CSDP;
“Dissenting Shareholders”	those Shareholders who validly exercise their Appraisal Rights in terms of sections 164(5) to 164(8) of the Companies Act and in respect of whom none of the events set out in section 164(9)(a) or (b) of the Companies Act has occurred;
“Documents of Title”	valid share certificates, certified transfer deeds, balance receipts and/or any other proof of ownership of the Shares, reasonably acceptable to Massmart in respect of the Massmart Shares;
“EBITDA”	in relation to Massmart, the earnings before interest, tax, depreciation and amortisation;

“EFT”	electronic funds transfer;
“Electronic Participation Application Form”	the application form to participate electronically in the General Meeting and attached to this Circular;
“Eligible Shareholders”	the holders of the Shares who are entitled to attend and vote at the General Meeting and/or accept the Standby General Offer, as the context indicates;
“Employee Share Scheme Amendments”	the amendments to be made to the Massmart Employee Share Plan as set out in paragraph 22;
“Encumber”	includes any pledge, charge, hypothecation, lien, subordination, mortgage, option over, right of retention or any other encumbrance whatsoever, or any form of hedging of or over Massmart Shares, or lending of Massmart Shares, and “Encumbered” and “Encumbrance” shall be construed accordingly;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended from time to time, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
“Excluded Event”	any one or more of the following: <ul style="list-style-type: none"> • the entering into, compliance with or implementation of the Implementation Agreement, the Firm Intention Announcement, this Circular and/or other documents which are required to be sent, delivered to the Shareholders, or published, in connection with the Scheme or the Standby General Offer and the Delisting; • any act or omission of any member of the Group at the written request or with the written consent of Walmart or in accordance with the Massmart Delegation of Authority; • the effect of any change in: <ul style="list-style-type: none"> – general economic conditions, credit markets, capital markets, macroeconomic factors or interest rates; – financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); – Applicable Laws; and/or – Applicable Accounting Standards or interpretations thereof, which are known or have already occurred as at the date of signing the Implementation Agreement, and affect the Group; • any war, act of terrorism, civil unrest, riots or similar events which have already occurred and which affect the Group; • the existence, occurrence or continuation of Covid-19 or any variants thereof;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
“FinSurv”	means (i) the Financial Surveillance Department of the SARB responsible for the administration of exchange controls under the Exchange Control Regulations, and/or (ii) Authorised Dealers to the extent those dealers are authorised by law to make decisions or grant approvals in relation to exchange control matters;
“Firm Intention Announcement”	the joint firm intention announcement released by Massmart and Walmart on SENS on Thursday, 1 September 2022 regarding the firm intention by Walmart to acquire the Massmart Shares, other than those held by Walmart and the Treasury Shares by way of a Scheme or the Standby General Offer;
“Foreign Shareholder”	a Shareholder who is a non-resident of South Africa as contemplated in the Exchange Control Regulations;
“Form of Acceptance and Transfer”	for purposes of accepting the Standby General Offer, the form of acceptance and transfer (pink) attached to and forming part of this Circular for use only by Certificated Shareholders who intend to accept the Standby General Offer;

“Form of Proxy”	for purposes of the General Meeting, the form of proxy (<i>yellow</i>) attached to and forming part of this Circular, for use only by Certificated Shareholders and Own-Name Dematerialised Shareholders;
“Form of Surrender and Transfer”	the form of surrender and transfer (<i>blue</i>) attached to and forming part of this Circular;
“General Meeting”	the general meeting of Shareholders to be held at the Company’s registered office, Massmart House, 16 Peltier Drive, Sunninghill Ext 6, Gauteng, 2196 at 10:00 on Friday, 21 October 2022 (or any other adjourned or postponed date and time in accordance with the provisions of section 64(11) of the Companies Act and the Company’s MOI, as read with the Listings Requirements) at which a quorum of at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter must be present or represented by proxy, to be convened to consider and, if deemed appropriate, approve, with or without modification, the Resolutions as may be contained in the Notice;
“General Meeting Record Date”	the date on, and time at which, an Eligible Shareholder must be recorded in the Register in order to be eligible to vote at the General Meeting, which is expected to be Friday, 14 October 2022;
“Group”	Massmart and its Subsidiaries from time to time;
“Implementation Agreement”	the amended and restated implementation agreement entered into between Massmart and Walmart dated 21 September 2022 setting out the terms and conditions which govern the Scheme, the Standby General Offer and the Delisting and the implementation thereof;
“Implementation Date”	the Scheme Implementation Date and/or the Standby General Offer Implementation Date, as applicable;
“Independent Board”	those directors of Massmart who are independent non-executive directors, constituted in accordance with Regulations 108(8) and 108(9) of the Companies Act as the independent board of Massmart, being Kuseni Dlamini, Olufunke Ighodaro and Lindiwe Mthimunya;
“Independent Expert”	PricewaterhouseCoopers Corporate Finance Proprietary Limited, further particulars of which appear in the “Corporate Information and Advisors” section of this Circular;
“Independent Expert’s Report”	the report of the Independent Expert provided to the Independent Board in relation to the Scheme, Standby General Offer and the Delisting, in terms of section 114(3) of the Companies Act, Regulations 90 and 110 of the Companies Regulations and paragraph 1.15(d) and schedule 5 of the Listings Requirements, which is set out in Annexure 1 to this Circular;
“Irrevocable Undertakings”	the written irrevocable undertakings provided by each of the Shareholders listed in paragraph 37 of this Circular in favour of Massmart and Walmart in terms of which each such Shareholder irrevocably and unconditionally undertook to, <i>inter alia</i> , vote in favour of the Resolutions at the General Meeting and accept the Standby General Offer;
“JSE” or “the Exchange”	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa, or the securities exchange, licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	Monday, 12 September 2022, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;

“Longstop Date”	the date by which all Scheme Conditions must be fulfilled, or if appropriate, waived (whether in whole or in part), this being 30 December 2022, or such later date as Massmart and Walmart may agree from time to time (subject to such regulatory approval as may be required);
“Massmart”	Massmart Holdings Limited, (registration number 1940/014066/06), a public company incorporated in accordance with the laws of South Africa, the Shares of which are listed on the main board of the JSE;
“Massmart Board” or “Board” or “Directors”	the board of directors of Massmart at the Last Practicable Date, whose details are set out on page 28 of this Circular;
“Massmart Delegation of Authority”	Massmart’s written delegation of authority document dated 21 November 2019;
“Massmart Employee Share Plan”	the <i>“The Massmart Holdings Limited 2013 Share Plan”</i> adopted by ordinary resolution of the Shareholders at the annual general meeting held on 22 May 2013 and subsequently amended by ordinary resolution of the Shareholders at a meeting held on 19 May 2022;
“Massmart Shareholders” or “Shareholders”	registered holders of Shares recorded in the Register, and “Massmart Shareholder” or “Shareholder” shall mean any one of them;
“Massmart Shares” or “Shares”	ordinary shares in Massmart of which there were 219,138,809 in issue at the Last Practicable Date;
“Material Adverse Event”	in respect of Massmart, an adverse effect, fact or circumstance which has arisen or occurred or might reasonably be expected to arise or occur in the immediately succeeding 12-month period from the date on which the Implementation Agreement is signed (alone or together with any other such action or potential adverse effect, fact and/or circumstance), and which is material with regard to its business, condition (financial), assets, liabilities, operations, financial performance and/or net income and/or any member of the Group (whether or not as a consequence of the Scheme), which will or could reasonably be expected to materially reduce the actual value of the Group but excluding any Excluded Event. To be "material", the adverse impact on EBITDA for the 12-month period succeeding the period from the date on which the Implementation Agreement was signed must have an impact equal to or greater than 10% of Massmart’s EBITDA for the 12-month period ended 26 June 2022;
“MOI” or “Company’s MOI”	the Company’s memorandum of incorporation;
“Notice”	the notice convening the General Meeting attached hereto and forming part of this Circular;
“Offer”	the single offer made by Walmart comprising the Scheme or, in the event that the Scheme does not become operative, the Standby General Offer;
“Offer Consideration”	the Scheme Consideration or the Standby General Offer Consideration, as the context may require;
“Ordinary Resolution”	a resolution adopted by Shareholders with the support of at least 75% of the voting rights exercised on the resolution;
“Original Agreement”	the implementation agreement entered into between Massmart and Walmart on or about 31 August 2022 which is amended and restated by the Implementation Agreement;
“Original Signature Date”	31 August 2022;

“Own-Name Dematerialised Shareholders”	the Dematerialised Shareholders who have instructed their CSDP to hold their Shares in their respective own-names on the respective CSDP’s Sub-Registers;
“Participant”	shall have the meaning given to this term in the Massmart Employee Share Plan;
“Performance Shares”	shall have the meaning given to this term in the Massmart Employee Share Plan;
“Rand” or “R” or “ZAR”	South African Rand, the official currency of South Africa;
“Register”	the securities register of the Company (including the relevant Sub-Registers and the register of disclosures of the Company);
“Remaining Shareholders”	in the event that the Scheme does not become operative, but the Standby General Offer is implemented, those Shareholders who do not accept the Standby General Offer in respect of all of the Standby General Offer Shares held by them and continue to hold the Shares following the implementation of the Standby General Offer, subject to the provisions of section 124(1) of the Companies Act;
“Resolutions”	(i) the Scheme Resolution or (ii) the Delisting Resolution (provided that if Walmart invokes the provisions of section 124 of the Companies Act the Delisting Resolution will not be required);
“Restricted Shares”	shall have the meaning given to this term in the Massmart Employee Share Plan;
“SARB”	the South African Reserve Bank;
“Scheme”	the scheme of arrangement in terms of section 114 of the Companies Act, proposed by the Massmart Board between Massmart and the Shareholders, in terms of which Walmart will acquire all of the Scheme Shares from the Scheme Participants for the Scheme Consideration subject to the fulfilment or waiver of the Scheme Conditions;
“Scheme Conditions”	the conditions precedent to the Scheme as set out in paragraph 8 of this Circular;
“Scheme Consideration”	a cash consideration of R62.00 per Share;
“Scheme Consideration Settlement Date”	the date on which the Scheme Consideration is to be paid, transferred and/or credited to the Scheme Participants or Transfer Secretary, as the case may be, in accordance with the applicable JSE corporate action timetable (being presently: (i) in relation to Shareholders who are Scheme Participants at the Scheme Record Date, the Scheme Implementation Date; and (ii) in respect of Shareholders who subsequently become Scheme Participants, the first Business Day after such Shareholder becomes bound by the Scheme);
“Scheme Finalisation Date”	the date on which all the Scheme Conditions shall have been fulfilled or waived, as the case may be;
“Scheme Implementation Date”	the date on which the Scheme becomes operative and is implemented, being the first Business Day immediately following the Scheme Record Date, which date is expected to be Monday, 21 November;
“Scheme Last Day to Trade”	the last day to trade in Shares on the JSE in order to be registered in the Register on the Scheme Record Date, which date is expected to be Tuesday, 15 November;

“Scheme Participants”	Shareholders who are recorded in the Register on the Scheme Record Date, and are therefore entitled to receive the Scheme Consideration should the Scheme become operative, including Dissenting Shareholders who are subsequently deemed to be Scheme Participants in the event that any of the circumstances contemplated in sections 164(9)(a) and (b) of the Companies Act occur, but excluding: (i) Walmart (including its associates, any party related to Walmart and any person acting in concert with Walmart) and any holders of Treasury Shares; and (ii) Dissenting Shareholders who have not had their rights in respect of their Scheme Shares re-instated as envisaged in sections 164(9) and 164(10) and/or 164(15)(c)(v)(aa) of the Companies Act;
“Scheme Record Date”	the last day (and time thereon) for Shareholders to be recorded in the Register in order to participate in the Scheme and receive the Scheme Consideration, being the first Friday following the Scheme Last Day to Trade, unless the Friday is a public holiday in which case it will be on the last Business Day of that week, which date is expected to be Friday, 18 November 2022 provided that the Scheme Finalisation Date has occurred;
“Scheme Resolution”	the Special Resolution to be proposed at the General Meeting for the approval of the Scheme and the implementation thereof in accordance with section 115(2) of the Companies Act, the full terms of which are set out in the Notice;
“Scheme Shares”	those Shares held by the Scheme Participants on the Scheme Record Date to be acquired by Walmart in terms of the Scheme in the event that the Scheme becomes operative, other than the Treasury Shares and Shares held by Walmart, being 101,050,552 Shares as at the Last Practicable Date;
“SENS”	the Stock Exchange News Service operated by the JSE;
“South Africa”	the Republic of South Africa;
“Special Resolution”	a resolution adopted by Shareholders with the support of at least 75% of the voting rights exercised on the resolution;
“Standby General Offer”	the general offer to the Massmart Shareholders, made by Walmart as contemplated by section 117(1)(c)(v) of the Companies Act and paragraph 1.15(c) of section 1 of the Listings Requirements, to acquire all of the Standby General Offer Shares for the Standby General Offer Consideration, subject to the fulfilment or waiver of Standby General Offer Conditions;
“Standby General Offer Closing Date”	the last date on which Shareholders will be entitled to accept the Standby General Offer, which date shall be a Friday and no less than: (i) ten Business Days after the date on which the Standby General Offer is declared wholly unconditional and (ii) 30 Business Days after the General Offer Opening Date, which date shall be published on SENS;
“Standby General Offer Conditions”	the conditions precedent to the implementation of the Standby General Offer set out in paragraph 17 of this Circular;
“Standby General Offer Consideration”	a cash consideration of R62.00 per Share;
“Standby General Offer Finalisation Date”	the date on which all the Standby General Offer Conditions shall have been fulfilled or waived, as the case may be;
“Standby General Offer Implementation Date”	the implementation date of the Standby General Offer provided that the Standby General Offer Finalisation Date has occurred;
“Standby General Offer Last Day to Trade”	the last day to trade in Standby General Offer Shares in order to be recorded in the Register on the Standby General Offer Closing Date;
“Standby General Offer Opening Date”	the opening date of the Standby General Offer being Monday, 24 October 2022;

“Standby General Offer Participants”	Shareholders to whom the Standby General Offer is made and who lawfully and validly accept the Standby General Offer by 12:00 on the Standby General Offer Closing Date and who are entitled, subject to the Standby General Offer being implemented, to receive the Standby General Offer Consideration, excluding the holders of Treasury Shares and Walmart, its associates, any party related to Walmart and any person acting in concert with Walmart;
“Standby General Offer Period”	the period beginning at 09:00 on the Standby General Offer Opening Date and ending 12:00 on the Standby General Offer Closing Date, during which Shareholders are entitled to accept the Standby General Offer;
“Standby General Offer Settlement Date”	in relation to a Standby General Offer Participant, a period of six Business Days after the later of the Standby General Offer being declared unconditional in all respects as contemplated by regulation 102(12)(a) of the Takeover Regulations and acceptance of the Standby General Offer by such Standby General Offer Participant;
“Standby General Offer Shares”	those Shares held by the Shareholders in respect of which Walmart shall make the Standby General Offer, being 101,050,552 Shares as at the Last Practicable Date;
“Standby General Offer Trigger Event”	means the Scheme failing or not being implemented for any reason whatsoever;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa, which is a registered central securities depository in terms of the Financial Markets Act and which manages the electronic clearing and settlement of equities and bonds transactions that take place on the JSE;
“Sub-Register”	in respect of each Dematerialised Shareholder, a sub-register maintained by a CSDP and forming part of the Register;
“Subsidiary” or “Subsidiaries”	a subsidiary as defined in section 3 of the Companies Act;
“Takeover Regulations”	the regulations published in terms of section 120 of the Companies Act and set out in Chapter 5 of the Companies Regulations;
“Tender” or “Tendered”	the tender by Standby General Offer Participants of all of the Standby General Offer Shares held by them, for disposal in terms of the Standby General Offer;
“Transfer Secretary”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly incorporated in accordance with the company laws of South Africa;
“Treasury Shares”	means those treasury Shares held by any member of the Group and/or any other entity within the Group, being, as at the Last Practicable Date, 2,436,910 Shares;
“TRP”	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act; and
“Walmart”	Walmart Inc., a public company incorporated in accordance with the laws of the State of Delaware, United States of America, acting directly or through its indirect wholly owned subsidiary, Main Street 830 Proprietary Limited.



Massmart Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1940/014066/06)
JSE Ordinary Share code: MSM
ISIN: ZAE000029534
("Massmart" or the "Company")



Walmart Inc.

(Incorporated in the State of Delaware, United States of America)
Traded on the New York Stock Exchange under symbol "WMT"
(acting through its indirect wholly owned subsidiary
Main Street 830 Proprietary Limited)
(Registration number: 2010/016839/07)
("Walmart")

MASSMART DIRECTORS

Executive directors

Mitchell Slape
(Chief Executive Officer)

Mohammed Abdool-Samad
(Chief Financial Officer)

Non-executive directors

John Peter Suarez
Charles Redfield
Daria Esteen Beckom

Independent Non-executive directors

Kuseni Dlamini
(Board Chair)

Olufunke Ighodaro
(Deputy Chair, Lead Independent Director)

Lindiwe Mthimunye
Sindiswa Victoria Zilwa
Mteto Nyati

MASSMART INDEPENDENT BOARD

Kuseni Dlamini
Olufunke Ighodaro
Lindiwe Mthimunye

WALMART DIRECTORS

Directors

Gregory B. Penner
Cesar Conde
Timothy P. Flynn
Sarah Friar
Carla A. Harris
Tom Horton
Marissa A. Mayer
C. Douglas McMillon
Randall Stephenson
S. Robson Walton
Steuart Walton

Walmart Directors (through its indirect wholly owned subsidiary Main Street 830 Proprietary Limited)

Johannes Christoffel Els
John Peter Suarez

CIRCULAR TO SHAREHOLDERS

SECTION A: INTRODUCTION AND RATIONALE

1. INTRODUCTION

- 1.1 In the Firm Intention Announcement released on SENS on Thursday, 1 September 2022 jointly by Massmart and Walmart, the Massmart Shareholders were informed that Massmart entered into the Original Agreement with Walmart in relation to the Offer by Walmart to acquire all the Massmart Shares (other than Treasury Shares and the Shares already owned by Walmart), comprising:
 - 1.1.1 the Scheme; or
 - 1.1.2 if the Scheme does not become operative, the Standby General Offer.
- 1.2 Following further engagement, Massmart and Walmart required further changes to be made to the Original Agreement and as such, the Implementation Agreement was concluded on 21 September 2022 replacing the Original Agreement in its entirety. For the avoidance of doubt, the provisions of the Implementation Agreement align with the information set out in this Circular.
- 1.3 Pursuant to the implementation of the Scheme, or, if the Scheme fails to be implemented in accordance with its terms, pursuant to the Delisting Resolution being approved (provided that if Walmart invokes the provisions of section 124 of the Companies Act the Delisting Resolution will not be required) and the Standby General Offer being implemented, an application will be made for the Delisting of all the Massmart Shares from the main board of the JSE.
- 1.4 The Offer will be made at the share consideration of R62.00 per Massmart Share.
- 1.5 The implementation of the Scheme will be subject to the fulfilment or waiver, as applicable, of the Scheme Conditions set out in paragraph 8 below, including, *inter alia*, approval of the Scheme by the Massmart Shareholders. If the Scheme does not become operative, the implementation of the Standby General Offer will be subject to the fulfilment or waiver, as applicable, of the Standby General Offer Conditions set out in paragraph 17 below.
- 1.6 The Delisting will occur if the Scheme becomes operative or the Delisting Resolution is approved unless Walmart invokes the provisions of section 124 of the Companies Act, in which case the Delisting Resolution will not be required.
- 1.7 For the reasons set out in paragraph 3 below, the Independent Board and the Board are in unanimous support of the Scheme and the Standby General Offer and recommend that Eligible Shareholders vote in favour of the Resolutions or accept the Standby General Offer.
- 1.8 Should the Scheme become operative:
 - 1.8.1 Walmart will become the registered and beneficial owner of the Scheme Shares pursuant to the Scheme; and
 - 1.8.2 the listing of Massmart on the JSE will be terminated and in this regard an application will be made to the JSE for approval for the termination of the listing of the Massmart Shares on the JSE from the commencement of trade on the day following the Scheme Implementation Date, which is expected to be Monday, 21 November.
- 1.9 In the event that the Scheme fails and the Standby General Offer becomes wholly unconditional in accordance with its terms and is implemented and the Delisting Resolution is approved (provided that if Walmart invokes the provisions of section 124 of the Companies Act the Delisting Resolution will not be required), an application will be made to the JSE for approval for the termination of the listing of the Shares on the JSE from the commencement of trade on the day following the Standby General Offer Closing Date.

1.10 Should the Scheme not become operative and the Standby General Offer is implemented and the Delisting Resolution is approved, the Remaining Shareholders are advised that they will remain Massmart Shareholders in the unlisted company, with the tradability of their Massmart Shares being limited. In the event that the Standby General Offer is implemented and is accepted by Shareholders holding at least 90% of the Standby General Offer Shares, Walmart may, at its sole election, invoke the provisions of section 124 of the Companies Act, to compulsorily acquire all the Standby General Offer Shares held by the Remaining Shareholders, as further detailed in paragraph 20 of this Circular and Annexure 7 to this Circular and, as such, there will be no remaining Massmart Shareholders.

2. PURPOSE OF THIS CIRCULAR

2.1 The purpose of this Circular is to provide Massmart Shareholders with the relevant information regarding the Scheme and the Standby General Offer, including, *inter alia*, the Independent Expert's Report, the recommendation of the Independent Board and the Massmart Board, and to give notice convening the General Meeting in order to consider and, if deemed fit, to pass the Resolutions necessary to approve and implement the Scheme and the Delisting in accordance with the Companies Act, the Companies Regulations and the Listings Requirements. The Notice convening the General Meeting is attached to, and forms part of, this Circular.

2.2 To obtain a full understanding of the terms and conditions of the Scheme, the Standby General Offer and the Delisting, this Circular should be read in its entirety.

3. RATIONALE FOR THE SCHEME, THE STANDBY GENERAL OFFER AND THE DELISTING

3.1 Massmart released its interim results for the period ended 26 June 2022 on 29 August 2022. The results reflect ongoing underperformance and the significant headwinds faced by each of the group's operating businesses.

3.2 Walmart acquired control of Massmart in 2010, in what was then a landmark transaction in the South African consumer landscape. Over the past decade, however, Walmart has had to provide increasing levels of support across Massmart's businesses. This support has deepened substantially in the period since the outbreak of Covid-19 in 2020. During the mandatory national lockdowns, in 2020, Walmart injected a ZAR4 billion facility into Massmart to shore up the group's liquidity. Walmart subsequently agreed to restructure half of this facility as equity in terms of International Financial Reporting Standards to shore up the solvency of the Massmart group.

3.3 The management-led turnaround strategy launched in 2019 has faced many headwinds, primarily Covid-19 but also the civil unrest in 2021 which resulted in a loss of operations and disruptions to supply chain on certain key inventory lines, flooding experienced in parts of the country, weak consumer demand for general merchandise and an increasingly competitive operating environment. Despite the difficult trading environment, Massmart's management has continued to drive the turnaround plan. The ongoing divestiture of non-core assets, although crucial to the long-term strategy of Massmart, will have a negative impact on the profit and loss of Massmart in the short term and will require additional capital investment into the business. In addition, the implementation of Massmart's business plan includes, *inter alia*, the ongoing development of its e-commerce strategy, which will require further intervention operationally and significant additional financial investment.

3.4 Walmart and the Massmart Board are of the view that the Proposed Transaction will enable Walmart to continue its overweight support as a long term shareholder and allow eligible Massmart Shareholders the opportunity to realise value now.

3.5 Walmart understands and supports the objectives of B-BBEE in South Africa and is committed to the current efforts and objectives of Massmart in this regard and to furthering the investments currently being made in all aspects of the B-BBEE scorecard.

3.6 Having considered the above factors and other relevant factors, the Board and Independent Board have resolved to:

- 3.6.1 propose the Scheme and recommend that Eligible Shareholders vote in favour of the Scheme Resolution; and
- 3.6.2 recommend that Eligible Shareholders vote in favour of the Delisting Resolution (provided that if Walmart invokes the provisions of section 124 of the Companies Act the Delisting Resolution will not be required) and that they accept the Standby General Offer.

3.7 The Offer is a strong reaffirmation of Walmart's commitment to Massmart and to South Africa.

4. **CLASS OF SECURITIES AFFECTED**

The Offer relates to the Massmart Shares, being the ordinary shares in the issued share capital of Massmart, as at the Last Practicable Date.

5. **FUNDING OF THE OFFER**

The financing of the Offer will be sourced entirely from Walmart's existing resources. Accordingly, the Offer is not subject to any financing pre-condition and Walmart has provided the requisite irrevocable unconditional bank guarantee to the TRP for the sole purpose of fully satisfying the Scheme Consideration or the consideration for the Standby General Offer, as required by regulation 111(4). Please see paragraph 36 below.

6. **BACKGROUND INFORMATION ON MASSMART AND WALMART**

6.1 **Massmart**

- 6.1.1 Massmart is an African retail and wholesale group with widely recognised and differentiated formats, represented in 408 stores in 13 sub-Saharan countries. Massmart has leading market shares in the general merchandise, liquor, home improvement and wholesale food markets with the key foundations of high volume, low cost, responsible business and operational excellence which enable its price leadership.
- 6.1.2 Further information on Massmart can be found on Massmart's website: <https://www.massmart.co.za/>.

6.2 **Walmart**

- 6.2.1 Walmart's predecessor was founded in 1945 when founder, Sam M. Walton, opened a franchise variety store in Arkansas, USA which after several variety stores led to the opening of the first supercentre store in 1988. Today, the business comprises three reportable segments: Walmart U.S., Walmart International and Sam's Club. The business engages in global operations of retail, wholesale and e-commerce, and has locations throughout the U.S., Africa, Canada, Central America, Chile, China, India and Mexico.
- 6.2.2 Walmart began its international strategy in 1991 when Walmart entered into a joint venture in Mexico. The segment's strategy is to create strong local businesses that are powered by Walmart enabling local relevance and a customer-focused approach in each of the markets of operation. Today, this segment is the second largest segment of the group and conducts business in 23 countries across the globe. In Africa, Walmart's presence is through Massmart, in which a majority stake was first acquired in 2010.
- 6.2.3 Main Street 830 Proprietary Limited is 100% held by WM SA Investments Ltd (UK), which is in turn 100% held by Broadstreet International Partners S.a.r.l. (Luxembourg), which is in turn 100% held by International Retail Partners LP (UK), which is in turn 1% held by Walmart and 99% held by Wal-Mart International Holdings Inc. (U.S.).

SECTION B: THE SCHEME

7. TERMS OF THE SCHEME

- 7.1 Should the Scheme be implemented, Walmart will acquire the Scheme Shares from the Scheme Participants for the Scheme Consideration as at the Scheme Implementation Date.
- 7.2 Subject to the Scheme Resolution being adopted and the Scheme becoming unconditional, with effect from the Scheme Implementation Date:
- 7.2.1 the Scheme Participants (whether or not they voted in favour of the Scheme or abstained or refrained from voting) shall be deemed to have disposed of and transferred their Scheme Shares, free of encumbrances, to Walmart on and with effect from the Scheme Implementation Date in exchange for the Scheme Consideration, and Walmart shall acquire all the Scheme Shares as at the Scheme Implementation Date;
 - 7.2.2 the disposal and transfer by each Scheme Participant of their Scheme Shares to Walmart and the acquisition of those Scheme Shares by Walmart, pursuant to the provisions of the Scheme, shall be effected on the Scheme Implementation Date;
 - 7.2.3 each Scheme Participant shall be deemed to have transferred to Walmart, on the Scheme Implementation Date, all their Scheme Shares, without any further act or instrument being required;
 - 7.2.4 Scheme Participants shall be deemed to have irrevocably authorised and instructed Massmart to cause the Scheme Shares to be transferred to Walmart on or at any time after the Scheme Implementation Date and to take all such steps and sign all such documents as may be necessary to procure such transfer;
 - 7.2.5 Scheme Participants shall be deemed to have appointed Massmart as agent to procure that the Scheme Consideration is paid to the Scheme Participants in accordance with the provisions of the Scheme; and
 - 7.2.6 Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the remaining provisions of this paragraph 7.
- 7.3 The Scheme Consideration shall be paid in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Walmart may otherwise be, or claim to be, entitled against any Scheme Participants.
- 7.4 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants against Walmart only.
- 7.5 The effect of the Scheme, *inter alia*, will be that Walmart will, with effect from the Scheme Implementation Date, acquire all the Scheme Shares. None of the Scheme Shares will be transferred to any other person pursuant to the Scheme.
- 7.6 Massmart and the Board undertake that, upon the Scheme becoming operative, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all documents necessary to give effect to the Scheme.
- 7.7 Walmart undertakes to propose and effect the necessary resolutions to amend the Share Scheme as soon as is reasonably possible following implementation of the Scheme to give effect to the Employee Share Scheme Amendments, being that:
- 7.7.1 33.33% of the Restricted Shares shall vest to the Participants no later than 2 months after the Implementation Date, at the Offer Consideration;

- 7.7.2 the remaining 66.67% of the Restricted Shares ("**Remaining Restricted Shares**") shall not accelerate on the Scheme Implementation Date but the vesting of such Restricted Shares will be accelerated after the Implementation Date, as follows:
- 7.7.2.1 40% of the Remaining Restricted Shares on the 1st (first) anniversary of the Implementation Date;
 - 7.7.2.2 40% of the Remaining Restricted Shares on the 2nd (second) anniversary of the Implementation Date; and
 - 7.7.2.3 the balance, being 20% of the Remaining Restricted Shares on the 3rd (third) anniversary of the Implementation Date,
- and each such acceleration shall be settled in cash and for an amount per Share equal to the Offer Consideration;
- 7.7.3 the terms of the Massmart Employee Share Plan relating to the settlement of Remaining Restricted Shares and those Restricted Shares granted and vested in the manner contemplated in paragraph 7.7.1, shall be amended to provide for settlement in cash (instead of Massmart Shares) for an amount equal to the Offer Consideration, being R62.00 per Massmart Share that a Participant would be entitled to and on the dates set out in clauses 7.7.1 and 7.7.2;
- 7.7.4 during Massmart's financial year ending 31 December 2022, the terms of the Massmart Employee Share Plan applicable to the Performance Shares shall continue to apply (without amendment, other than as set out in paragraph 7.7.5) and Participants shall be entitled to receive any Performance Shares awards they are entitled to receive during such financial year, subject to any applicable performance criteria being applied or the award methodology being met in accordance with the terms of the Massmart Employee Share Plan;
- 7.7.5 the terms of the Massmart Employee Share Plan relating to the vesting and settlement of Performance Shares awarded shall be amended to provide for any Performance Shares awarded to Participants during the financial years ending 31 December 2020, 31 December 2021 and 31 December 2022 to be settled in cash for an amount equal to the Offer Consideration, being R62.00 per Massmart Share that a Participant would be entitled to by no later than 30 April 2023. For the avoidance of doubt, the aforementioned amendments to the Massmart Employee Share Plan relating to vesting and settlement of Performance Shares will result in an acceleration of the vesting and settlement of the awards made in April 2021, September 2021 and April 2022 as the full 3 (three) year vesting cycle would not have been completed by April 2023; and
- 7.7.6 following the settlement of the Performance Shares as contemplated in paragraph 7.7.5, Walmart shall establish a new performance base incentive scheme in accordance with the undertaking set out in paragraph 23 and the share scheme applicable to the Performance Shares shall be terminated. For the avoidance of doubt, the Massmart Employee Share Plan applicable to the Performance Shares shall continue to remain operative until the establishment of a new performance based incentive scheme by Walmart and any Performance Shares not yet awarded by Massmart to Participants under the current Massmart Employee Share Plan will be replaced by the new performance based incentive scheme.

8. **CONDITIONS TO THE SCHEME**

- 8.1 The implementation of the Scheme will be subject to the fulfilment or waiver, as applicable, of the following Scheme Conditions on or before the Longstop Date:
- 8.1.1 to the extent applicable, the following approvals, consents or waivers:
 - 8.1.1.1 the TRP issuing a compliance certificate with respect to the Scheme in terms of sections 119(4)(b) and 121(b) of the Companies Act;
 - 8.1.1.2 such approvals granted by the JSE and the TRP as are required in terms of the JSE Listings Requirements and the TRP in terms of the Companies Regulations;

- 8.1.1.3 FinSurv approving (i) the Offer; (ii) this Circular; (iii) Walmart advancing the Scheme Consideration and/or Standby General Offer Consideration in terms of the Exchange Control Regulations; and (iv) the Delisting; and
 - 8.1.1.4 any other regulatory approvals, consents or waivers which may be required from those regulatory authorities as may be necessary in order for Walmart to acquire the Scheme Shares pursuant to the Scheme (or the Standby General Offer Shares pursuant to the Standby General Offer),
- (collectively “**Regulatory Consents**”),
- are obtained, being either unconditional or subject only to any obligation, undertaking, condition or qualification, which Walmart is willing to accept, acting reasonably, which acceptance shall not be unreasonably withheld or delayed;
- 8.1.2 the approval of the Scheme Resolution by the requisite majority of the voting rights held by Eligible Shareholders, being at least 75% of the votes exercised by the Eligible Shareholders present or represented by proxy at the General Meeting in respect of the Scheme Resolution;
 - 8.1.3 if any person who has voted against the Scheme Resolution requires Massmart to seek court approval to implement the Scheme in terms of section 115(3)(a) and section 115(5)(a) of the Companies Act:
 - 8.1.3.1 the approval of the implementation of the Scheme Resolution by the court is obtained; and
 - 8.1.3.2 Massmart has not elected to treat the Scheme Resolution as a nullity pursuant to section 115(5)(b) of the Companies Act;
 - 8.1.4 if any person who has voted against the Scheme Resolution applies to court for a review of the Scheme Resolution in terms of section 115(3)(b) and section 115(6) of the Companies Act, either:
 - 8.1.4.1 leave to apply to the Court for any such review is refused; or
 - 8.1.4.2 if leave is so granted, the Court refuses to set aside the Scheme Resolution;
 - 8.1.5 in respect of Appraisal Rights, either:
 - 8.1.5.1 no Eligible Shareholder gives notice objecting to the Scheme Resolution, as contemplated in section 164(3) of the Companies Act, or votes against the Scheme Resolution at the General Meeting; or
 - 8.1.5.2 Eligible Shareholders give notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act and vote against the Scheme Resolution at the General Meeting in respect of not more than 5% of all of the Shares; or
 - 8.1.5.3 if the condition in paragraph 8.1.5.1 is not satisfied, then, within the time period permitted in terms of the Companies Act, Dissenting Shareholders have not exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of more than 5% of all the Shares, or not at all; provided that this Scheme Condition will not fail unless and until on or before the Longstop Date, Walmart gives Massmart written notice that this Scheme Condition has failed and has not been waived;
 - 8.1.6 no breach having occurred in respect of certain representations made by Massmart in the Implementation Agreement in relation to third party consents; and
 - 8.1.7 on or by the date on which the last of the Scheme Conditions is fulfilled or waived, as the case may be, no Material Adverse Event has occurred in respect of Massmart and, if required by Walmart, the Board certifying as at that date, by written notice to Walmart that, to the best of the Board’s knowledge and belief, no Material Adverse Event has occurred.

8.2 The Scheme Condition(s) in:

8.2.1 paragraphs 8.1.5, 8.1.6 and 8.1.7 are for the benefit of Walmart only. Walmart may waive fulfilment of such Scheme Conditions (either in whole or in part) to the extent that such Scheme Conditions are capable of being waived, or extend the date for their fulfilment upon written notice to Massmart prior to the Longstop Date for fulfilment of these Scheme Conditions, provided that Walmart shall not be entitled to extend the fulfilment of these Scheme Conditions to a date later than 60 Business Days without the consent of Massmart; and

8.2.2 paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.4 are not capable of waiver but may be extended by agreement between Walmart and Massmart prior to the Longstop Date for fulfilment of these Scheme Conditions.

8.3 An announcement will be published on SENS as soon as practicable after all the Scheme Conditions have been fulfilled (or waived in respect of paragraphs 8.1.5, 8.1.6 and 8.1.7), if the Scheme Conditions are not fulfilled (or waived in respect of paragraphs 8.1.5, 8.1.6 and 8.1.7) timeously, or if the time and/or date for fulfilment (or waiver in respect of paragraphs 8.1.5, 8.1.6 and 8.1.7) of the Scheme Conditions is extended, being the Scheme Finalisation Date.

9. **SCHEME CONSIDERATION**

9.1 In the event that the Scheme becomes operative, Walmart will acquire all of the Scheme Shares held by the Scheme Participants for the Scheme Consideration.

9.2 The Scheme Consideration represents:

9.2.1 a premium of 53.0% to the closing Share price;

9.2.2 a 68.7% premium to the 30-day volume weighted average price; and

9.2.3 a premium of 62.4% to the 90-day volume weighted average price, calculated as at close of market on, Friday, 26 August 2022.

9.3 The Offer is made on the basis that no dividends or similar payments to the Massmart Shareholders will be declared or paid between the date on which the Implementation Agreement was signed and the Scheme Implementation Date (“**Dividend Restriction Period**”). Should Massmart declare any such dividends or make any such payments during the Dividend Restriction Period, the Scheme Consideration will be reduced by an amount equal to the amount of such dividends declared or payments made to the Massmart Shareholders.

9.4 The tax implications of the Scheme are dependent upon the individual circumstances of the Shareholders concerned and the tax jurisdiction applicable to such Shareholder. It is recommended that the Shareholders seek appropriate professional advice in this regard.

10. **SETTLEMENT OF THE SCHEME CONSIDERATION**

10.1 Subject to paragraph 10.2, if the Scheme becomes operative, Scheme Participants will be entitled to receive the Scheme Consideration on the Scheme Implementation Date.

10.2 Settlement of the Scheme Consideration is subject to the Exchange Control Regulations, salient provisions of which are set out in Annexure 5 to this Circular.

10.3 The Transfer Secretary (on behalf of Walmart and/or Massmart) will administer and effect payment of the Scheme Consideration to Scheme Participants.

10.4 If the Scheme becomes operative:

10.4.1 Dematerialised Shareholders will have their accounts at their CSDP or Broker credited with the Scheme Consideration and debited with the Scheme Shares on the Scheme Implementation Date, or, in the case of Dissenting Shareholders who subsequently become Scheme Participants as envisaged in paragraph 11.10, on the date contemplated in paragraph 11.11; and

10.4.2 Certificated Shareholders:

- 10.4.2.1 who have submitted their Documents of Title and completed Form of Surrender and Transfer (*blue*) to the Transfer Secretary on or before 12:00 on the Scheme Record Date, will be paid the Scheme Consideration by way of EFT by completing the relevant section on the Form of Surrender and Transfer (*blue*) and the Scheme Consideration will be paid into the bank account nominated by them in Part C of the Form of Surrender and Transfer (*blue*) on or about the Scheme Implementation Date. If Part C on the Form of Surrender and Transfer (*blue*) is left blank or partially completed, the Scheme Consideration will be withheld until the correct details are provided by the Certificated Shareholder; or
- 10.4.2.2 who fail to submit their Documents of Title and completed Form of Surrender and Transfer (*blue*) to the Transfer Secretary or in respect of a Dissenting Shareholder who subsequently becomes a Scheme Participant as envisaged in paragraph 11.9, will not be paid the Scheme Consideration payable to them and the Scheme Consideration will instead be held in trust by Massmart (or any third party nominated by it for this purpose) for the benefit of the Scheme Participant concerned, for a maximum period of three years, after which period such funds shall be paid over to the Guardian's Fund of the Master of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by Massmart.

10.5 No receipt will be issued for Documents of Title surrendered unless specifically requested.

10.6 The Scheme Consideration will be settled in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Walmart may otherwise be or claim to be entitled against a Scheme Participant.

11. APPRAISAL RIGHTS

- 11.1 This paragraph 11 only provides a summary of the provisions relating to Shareholders' Appraisal Rights in terms of section 164 of the Companies Act, the full provisions of which are contained in Annexure 6 to this Circular.
- 11.2 As contemplated in the Scheme Conditions, if more than 5% of the Eligible Shareholders give notice objecting to the Scheme as contemplated in section 164(3) of the Companies Act and vote against the Scheme Resolution at the General Meeting, the Scheme will fail, unless Walmart waives this Scheme Condition, and consequently any Appraisal Rights shall fall away.
- 11.3 At any time before the Scheme Resolution is voted on at the General Meeting, a Shareholder may give written notice to Massmart objecting to the Scheme Resolution in terms of section 164(3) of the Companies Act and vote against the Scheme Resolution at the General Meeting.
- 11.4 Within ten Business Days after Massmart has adopted the Scheme Resolution, Massmart must send a notice to each Shareholder who has given Massmart the notice referred to in paragraph 11.3 of this Circular and has neither withdrawn that notice nor voted in favour of the Scheme Resolution, informing them that the Scheme Resolution has been adopted.
- 11.5 A Shareholder who has given Massmart the notice referred to in paragraph 11.3 of this Circular and who has complied with all of the procedural steps set out in section 164 of the Companies Act may, if the Scheme Resolution is adopted, deliver a written notice to Massmart demanding that Massmart pay to that Shareholder the fair value for all the Scheme Shares held by that Shareholder ("**Demand**"). The Demand must be delivered:
 - 11.5.1 within 20 Business Days after receipt of the notice from Massmart referred to in paragraph 11.4 of this Circular; or
 - 11.5.2 if the Shareholder does not receive the notice from Massmart referred to in paragraph 11.4 of this Circular, within 20 Business Days after learning that the Scheme Resolution has been adopted.

- 11.6 The Demand above must also be delivered to the TRP and must set out:
- 11.6.1 the Dissenting Shareholder's name and address;
 - 11.6.2 the number of Massmart Shares in respect of which the Dissenting Shareholder seeks payment; and
 - 11.6.3 a demand for payment of the fair value of those Scheme Shares. The fair value of the Scheme Shares is determined as at the date on which, and the time immediately before, the Scheme Resolution was adopted.
- 11.7 A Dissenting Shareholder may withdraw its Demand before Massmart makes an offer in accordance with section 164(11) of the Companies Act or if Massmart fails to make such an offer.
- 11.8 If Massmart receives a Demand and such Demand is not withdrawn by the Dissenting Shareholder before the Scheme Implementation Date, the Company will, in accordance with section 164(11) of the Companies Act, within five Business Days of the Scheme Implementation Date, make an offer to the Dissenting Shareholder to purchase such Dissenting Shareholder's Shares.
- 11.9 The Company's offer made in accordance with section 164(11) of the Companies Act will, in accordance with the requirements of section 164(12)(b) of the Companies Act, lapse if it is not accepted by the Dissenting Shareholder within 30 Business Days after it was made.
- 11.10 A Dissenting Shareholder that, pursuant to the exercise of its Appraisal Rights, has sent a Demand to Massmart has no further rights in respect of its Scheme Shares, other than to be paid their fair value and will be excluded from the Scheme and will not receive the Scheme Consideration, unless:
- 11.10.1 the Dissenting Shareholder withdraws that Demand before Massmart makes an offer to that Dissenting Shareholder under section 164(11) of the Companies Act, or allows any offer made by Massmart to lapse;
 - 11.10.2 Massmart fails to make an offer in accordance with section 164(11) of the Companies Act and the Dissenting Shareholder withdraws its Demand; or
 - 11.10.3 Massmart revokes the Scheme Resolution by a subsequent Special Resolution,
- in which case that Dissenting Shareholder's rights in respect of the relevant Massmart Shares shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption.
- 11.11 If the Scheme becomes operative, any Dissenting Shareholder whose shareholder rights are reinstated as envisaged in paragraph 11.10 of this Circular:
- 11.11.1 before 12:00 on the Scheme Record Date, shall be deemed to be a Scheme Participant and be eligible to participate in the Scheme and be subject to the ordinary terms and conditions of the Scheme; or
 - 11.11.2 after 12:00 on the Scheme Record Date, shall be deemed to have been a Scheme Participant with retrospective effect from the Scheme Record Date, provided that settlement of the Scheme Consideration and transfer of that Dissenting Shareholder's Scheme Shares to Massmart shall take place in accordance with paragraph 10.4.1 or paragraph 10.4.2 of this Circular, as the case may be,
- and such Dissenting Shareholder hereby authorises Massmart and/or the Transfer Secretary on its behalf to transfer its Scheme Shares to Walmart against payment of the Scheme Consideration and to take all other action and steps necessary to give effect to the foregoing.
- 11.12 A Dissenting Shareholder who accepts the Company's offer made in accordance with the requirements of section 164(11) of the Companies Act will not be a Scheme Participant and will not participate in the Scheme. Such Dissenting Shareholder must thereafter, if it: (i) holds Certificated Shares, tender the Documents of Title in respect of such Certificated Shares to the Company or the Transfer Secretary; or (ii) holds Dematerialised Shares, instruct its Broker or CSDP to transfer those Scheme Shares to the Company or the Transfer Secretary. The Company must pay a Dissenting Shareholder the offered amount within ten Business Days after the Dissenting Shareholder has accepted the offer and tendered the Documents of Title or directed the transfer to the Company or the Transfer Secretary of the Dematerialised Shares, as the case may be.

11.13 Shareholders should have regard to the fact that, in appropriate circumstances as detailed in section 164 of the Companies Act, the Court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.

11.14 Shareholders wishing to exercise their Appraisal Rights are strongly advised to take professional advice in connection with such decision.

12. **AMENDMENTS, VARIATIONS AND MODIFICATIONS TO THE SCHEME**

12.1 Subject to compliance with the Companies Act, the Companies Regulations and the Listings Requirements and consent from the TRP, Walmart and Massmart will be entitled to:

12.1.1 before or at the General Meeting, but prior to Eligible Shareholders casting their votes, make any amendment, variation or modification to the Scheme; or

12.1.2 after the General Meeting, make any amendment, variation or modification to the Scheme, provided that no amendment, variation or modification made after the General Meeting may have the effect of negatively affecting the rights which will accrue to a Scheme Participant in terms of the Scheme.

12.2 Subject to compliance with the Companies Act, the Companies Regulations and the Listings Requirements, Massmart shall be entitled to increase the Scheme Consideration offered in terms of the Scheme, from time to time.

12.3 Shareholders will be notified of any changes on SENS and in the South African press.

12.4 All dates and times referred to in this Circular are subject to change. Any such change shall be published on SENS and in the South African press.

13. **NO ENCUMBRANCE**

Each Share Participant is deemed, on and with effect from the Scheme Implementation Date, to have warranted and undertaken in favour of Walmart that (i) the relevant Scheme Shares are not subject to a pledge or otherwise Encumbered, or (ii) if subject to any such pledge or Encumbrance, such Scheme Shares shall be released from such pledge or other Encumbrance immediately on payment and discharge of the Scheme Consideration. In this regard such Scheme Participants irrevocably authorise and appoint Massmart and Walmart, *in rem suam* (that is, irrevocably for Massmart and Walmart's advantage), with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants in doing all things and signing all documents in ensuring that the relevant Scheme Shares are released from any pledge or Encumbrance, including the removal of any endorsements to that effect present in the Register.

SECTION C: THE STANDBY GENERAL OFFER

14. TERMS OF THE STANDBY GENERAL OFFER

- 14.1 The Standby General Offer is being made simultaneously with the Scheme (as one single offer) but only if the Scheme fails will Walmart implement the Standby General Offer. Subject to the aforementioned, in terms of s117(1)(c)(v) of the Companies Act and paragraph 1.15(c) of the Listings Requirements, the Standby General Offer is made to Shareholders, whereby each Shareholder will be entitled to elect whether or not to dispose of all of their Standby General Offer Shares to Walmart for the Standby General Offer Consideration.
- 14.2 For the avoidance of doubt, implementation of the Standby General Offer will be conditional on, *inter alia*, the Scheme not becoming operative. If the Scheme does not become operative and the Standby General Offer is made and becomes unconditional and is implemented, then the Delisting (if the Delisting Resolution is approved but on the basis that Walmart does not invoke the provisions of section 124 of the Companies Act then no Delisting Resolution is required) will be implemented in terms of paragraph 1.14 of the Listings Requirements and each Standby General Offer Participant will receive the Standby General Offer Consideration in exchange for the Standby General Offer Shares Tendered and disposed of.
- 14.3 The effect of the Standby General Offer will be that, with effective from the Standby General Offer Settlement Date, Walmart will acquire and own all the Standby General Offer Shares Tendered and previously held by the Standby General Offer Participants. Walmart's interest in Massmart, following the implementation of the Standby General Offer, is subject to the acceptance of the Standby General Offer by Shareholders holding at least 90% of the Shares (excluding Treasury Shares and Shares already held by Walmart), in which case Walmart shall be entitled to invoke the provisions of section 124(1) of the Companies Act as set out in paragraph 20 of this Circular should the 90% threshold be achieved, in terms of which Walmart shall compulsorily acquire all of the Standby General Offer Shares not already tendered by Shareholders.
- 14.4 If the Scheme does not become operative and the Standby General Offer becomes unconditional and is implemented, subject to the provisions of section 124(1) of the Companies Act, Shareholders who have not accepted the Standby General Offer will be Remaining Shareholders in Massmart, which will become an unlisted subsidiary of Walmart, and the tradability of their Massmart Shares will be limited.

15. THE STANDBY GENERAL OFFER CONSIDERATION

- 15.1 If the Scheme does not become operative and the Standby General Offer becomes unconditional, Walmart will acquire all of the Standby General Offer Shares Tendered by the Standby General Offer Participants for the Standby General Offer Consideration.
- 15.2 The Standby General Offer Consideration represents:
- 15.2.1 a premium of 53.0% to the closing share price;
 - 15.2.2 a 68.7% premium to the 30-day volume weighted average price; and
 - 15.2.3 a premium of 62.4% to the 90-day volume weighted average price, calculated as at close of market on Friday, 26 August 2022.
- 15.3 The Standby General Offer Consideration shall be settled in full, in accordance with the terms of the Standby General Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Massmart or Walmart, may otherwise be, or claim to be, entitled against a Standby General Offer Participant.

- 15.4 The tax implications of the Standby General Offer are dependent upon the individual circumstances of the Shareholder concerned and the tax jurisdiction applicable to such Shareholder. It is recommended that the Shareholders who intend to accept the Standby General Offer seek appropriate professional advice in this regard.
- 15.5 For details regarding the settlement of the Standby General Offer Consideration, Standby General Offer Participants are referred to paragraph 19 of this Circular for more information.

16. **THE STANDBY GENERAL OFFER PERIOD**

- 16.1 The Standby General Offer is irrevocable and will be open for acceptance from 09:00 on the Standby General Offer Opening Date, and will, in the event that the Scheme does not become operative and the Standby General Offer, becomes unconditional, close at 12:00 on the Standby General Offer Closing Date, in accordance with Takeover Regulations 102(4) and 105(5)(b).
- 16.2 Accordingly, the Standby General Offer will remain open for acceptance by the Shareholders. In the event that the Scheme becomes operative the Standby General Offer will not be implemented.
- 16.3 In accordance with Takeover Regulation 103(1)(b)(i), Walmart may, in its absolute and sole discretion, extend the period of acceptance of the Standby General Offer. Shareholders will be notified of any such extension on SENS and in the South African press.

17. **THE STANDBY GENERAL OFFER CONDITIONS**

- 17.1 The implementation of the Standby General Offer will be subject to the fulfilment or waiver, as the case may be, of the condition precedent in paragraph 8.1.1 together with the following Standby General Offer Conditions on or before the Longstop Date -
- 17.1.1 the approval of the Delisting Resolution;
 - 17.1.2 the occurrence of the Standby General Offer Trigger Event; and
 - 17.1.3 the Standby General Offer is accepted by such number of Shareholders as would result in Walmart acquiring at least 90% held by the Eligible Shareholders.
- 17.2 The Standby General Offer Conditions set out in:
- 17.2.1 paragraphs 17.1.1 and 17.1.3 are capable of waiver by Walmart prior to the Longstop Date. Walmart may waive fulfilment of such Standby General Offer Conditions (either in whole or in part) to the extent that such Standby General Offer Conditions are capable of being waived, or extend the date for their fulfilment upon written notice to Massmart prior to the Longstop Date for fulfilment of these Standby General Offer Conditions, provided that Walmart shall not be entitled to extend the fulfilment of these Standby General Offer Conditions to a date later than 25 business days from the date on which the Standby General Offer opened; and
 - 17.2.2 paragraphs 8.1.1 and 17.1.2 are not capable of waiver but the time and/or date for fulfilment of this Standby General Offer Condition may be extended by agreement between Massmart and Walmart prior to the Longstop Date for fulfilment of these Standby General Offer Conditions.
- 17.3 An announcement will be released on SENS as soon as practicable after all the Standby General Offer Conditions have been fulfilled or waived, if the Standby General Offer Conditions are not fulfilled or waived timeously, or if the time and/or date for fulfilment or waiver of the Standby General Offer Conditions is extended.

18. PROCEDURE FOR ACCEPTANCE OF THE STANDBY GENERAL OFFER

18.1 Subject to the Scheme failing and the Standby General Offer becoming wholly unconditional, if a Shareholder does not wish to accept the Standby General Offer in respect of any of the Standby General Offer Shares held by them they do not need to take any further action and will continue to hold their Standby General Offer Shares and will be deemed to be a Remaining Shareholder. Remaining Shareholders are advised that in the event that the Standby General Offer is implemented, subject to the provisions of section 124(1) of the Companies Act and subject to the Delisting Resolution being passed, they will remain Massmart Shareholders in an unlisted company, with the tradability of their Massmart Shares being limited, and they will be issued with certificates in respect of those Massmart Shares they have elected to retain.

18.2 For the avoidance of doubt, Shareholders will be entitled to accept the Standby General Offer from 09:00 on the Standby General Offer Opening Date, however, any Standby General Offer Shares Tendered will not be acquired by Walmart until such time as the Standby General Offer is implemented and becomes unconditional.

18.3 Dematerialised Shareholders

18.3.1 Eligible Shareholders who hold Dematerialised Shares and who wish to accept the Standby General Offer in respect of all of their Standby General Offer Shares are required to accept the Standby General Offer in accordance with the instructions set out in paragraph A of section II of "Action Required by Shareholders in respect of the Standby General Offer", commencing on page 12 of this Circular.

18.3.2 Once a Shareholder's acceptance of the Standby General Offer in respect of any of its Standby General Offer Shares has been communicated to the Transfer Secretary, such acceptance of the Standby General Offer will be final and the Standby General Offer Participant may not withdraw its acceptance of the Standby General Offer unless expressly permitted by the Companies Regulations.

18.3.3 If a Shareholder's acceptance is not communicated to the Transfer Secretary, through a Broker or CSDP, by 12:00 on the Standby General Offer Closing Date, such Eligible Shareholder who holds Dematerialised Shares will be deemed to have declined the Standby General Offer and will continue to hold its Standby General Offer Shares and remain a Massmart Shareholder, subject to section 124(1) of the Companies Act. Late acceptances of the Standby General Offer may be accepted or rejected at Walmart's discretion.

18.3.4 Dematerialised Shareholders and Own-Name Dematerialised Shareholders must **NOT** complete the Form of Acceptance and Transfer (*pink*).

18.3.5 The attention of Dematerialised Shareholders is drawn to the fact that, if they accept the Standby General Offer, they will not be entitled to re-materialise and/or trade or otherwise deal in their Standby General Offer Shares that have been Tendered between the date of acceptance and the Standby General Offer Settlement Date, or if the Standby General Offer is not implemented, between the date of acceptance and the date on which the Standby General Offer lapses.

18.4 Certificated Shareholders

18.4.1 Shareholders who hold Certificated Shares and who wish to accept the Standby General Offer in respect of all of their Standby General Offer Shares are required to accept the Standby General Offer by completing the Form of Acceptance and Transfer (*pink*) and delivering it, together with the Documents of Title in respect of the Standby General Offer Shares Tendered by them, in accordance with the instructions set out in paragraph B of section II of "Action Required by Shareholders in respect of the Standby General Offer" commencing on page 12 of this Circular, to the Transfer Secretary by no later than 12:00 on the Standby General Offer Closing Date.

- 18.4.2 Once a duly completed and signed Form of Acceptance and Transfer (*pink*) together with the Documents of Title in respect of the Standby General Offer Shares Tendered is received by the Transfer Secretary in respect of any of a Shareholder's Standby General Offer Shares, such acceptance of the Standby General Offer will be final and such Standby General Offer Participant may not withdraw its acceptance of the Standby General Offer unless expressly permitted by the Companies Regulations.
- 18.4.3 If the Standby General Offer is not validly accepted by a Shareholder who holds Certificated Shares by 12:00 on the Standby General Offer Closing Date, the Standby General Offer will be deemed to have been declined by that Shareholder. Late acceptances may be accepted or rejected at Walmart's sole discretion.
- 18.4.4 Shareholders holding Certificated Shares, who have completed and returned the Form of Surrender and Transfer (*blue*) together with the relevant Documents of Title, to the Transfer Secretary in anticipation of the Scheme becoming operative, and who wish to accept the Standby General Offer, will still be required to complete the Form of Acceptance and Transfer (*pink*) but will not be required to surrender their Documents of Title again.
- 18.4.5 Forms of Acceptance and Transfer (*pink*) and Documents of Title that are sent through the post are sent at the risk of the Certificated Shareholders concerned. Accordingly, Certificated Shareholders should take note of the postal delivery times so as to ensure that acceptances of the Standby General Offer are received timeously. It is therefore recommended that duly completed Forms of Acceptance and Transfer (*pink*), and Documents of Title be sent by registered post, or delivered by hand or courier to the Transfer Secretary.
- 18.4.6 No receipt will be issued for Documents of Title surrendered unless specifically requested.
- 18.4.7 Documents of Title surrendered in acceptance of the Standby General Offer will be held in trust by the Transfer Secretary, at the risk of the relevant Certificated Shareholders, pending the Standby General Offer being implemented.
- 18.4.8 If Documents of Title relating to any Standby General Offer Shares Tendered are lost or destroyed, Walmart may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to Walmart that the Documents of Title in respect of the Standby General Offer Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to Walmart. Accordingly, if the Documents of Title in respect of any of the Standby General Offer Shares Tendered by a Certificated Shareholder have been lost or destroyed, such Certificated Shareholder should nevertheless return the Form of Acceptance and Transfer (*pink*), duly signed and completed, to the Transfer Secretary, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretary.
- 18.4.9 The attention of the Shareholders who are Certificated Shareholders is drawn to the fact that, if they surrender their Documents of Title pursuant to their acceptance of the Standby General Offer, they:
- 18.4.9.1 will continue to be entitled to attend, speak and vote at the General Meeting as if the surrender of Documents of Title had not occurred; and
 - 18.4.9.2 will not be entitled to Dematerialise, trade or otherwise deal in their Standby General Offer Shares that have been Tendered between the date of surrender and the Standby General Offer Settlement Date, or, if the Standby General Offer is not implemented, between the date of surrender and the date on which their Standby General Offer Shares are returned to them as set out in this Circular.
- 18.4.10 If the Standby General Offer lapses because any of the Standby General Offer Conditions are not fulfilled or waived, then any Documents of Title surrendered and held by the Transfer Secretary will be returned to the relevant Standby General Offer Participants by the Transfer Secretary, at such Standby General Offer Participants' own risk, by courier within approximately five Business Days from the date on which the Standby General Offer lapses.

18.4.11 Walmart reserves the right, in its absolute and sole discretion:

- 18.4.11.1 to treat as valid, Forms of Acceptance and Transfer (*pink*) not accompanied by the relevant Documents of Title (or, if applicable, evidence reasonably satisfactory to Walmart that the Documents of Title in respect of the relevant Standby General Offer Shares have been lost or destroyed and an indemnity reasonably acceptable to Walmart, as detailed above);
- 18.4.11.2 to treat as valid, Forms of Acceptance and Transfer (*pink*) that have not been completed in accordance with the instructions set out in this Circular and the Form of Acceptance and Transfer (*pink*); and
- 18.4.11.3 to require proof of the authority of the person signing a Form of Acceptance and Transfer (*pink*), where such proof has not been lodged with, or recorded by, the Transfer Secretary.

19. SETTLEMENT OF THE STANDBY GENERAL OFFER CONSIDERATION

- 19.1 In the event that the Standby General Offer is implemented and becomes unconditional, Standby General Offer Participants will be entitled to receive the Standby General Offer Consideration in respect of the Standby General Offer Shares Tendered by them in terms of the Standby General Offer.
- 19.2 Settlement of the Standby General Offer Consideration shall be subject to the Exchange Control Regulations, the salient provisions of which are set out in Annexure 5 to this Circular.
- 19.3 Settlement of the Standby General Offer Consideration will be administered and effected by Walmart or the Transfer Secretary, on behalf of Walmart.
- 19.4 Walmart's obligation to make payment of the Standby General Offer Consideration to the Standby General Offer Participants will be fully and finally discharged upon Walmart making payment of the Standby General Offer Consideration to the Transfer Secretary and the Transfer Secretary making payment of the Standby General Offer Consideration to the Standby General Offer Participants.

19.5 Dematerialised Shareholders

If the Standby General Offer is implemented and becomes unconditional, Standby General Offer Participants who hold Dematerialised Shares will have their accounts held at their Broker or CSDP debited with the relevant number of Standby General Offer Shares Tendered and credited with the Standby General Offer Consideration in respect of such Standby General Offer Shares Tendered, within six Business Days of the later of the Standby General Offer being declared unconditional and acceptance of the Standby General Offer.

19.6 Certificated Shareholders

- 19.6.1 If the Standby General Offer is implemented and becomes unconditional, Standby General Offer Participants who hold Certificated Shares, and who have delivered a duly completed Form of Acceptance and Transfer (*pink*) and surrendered their Documents of Title to the Transfer Secretary, in accordance with the instructions set out in paragraph B of section II of "Action Required by Shareholders in respect of the Standby General Offer" commencing on page 12 of this Circular, on or before 12:00 on the Standby General Offer Closing Date, will have the Standby General Offer Consideration in respect of such Standby General Offer Shares Tendered paid by way of EFT into the bank account nominated by them in Part C of the Form of Acceptance and Transfer (*pink*) within six Business Days of the later of the Standby General Offer being declared unconditional and acceptance of the Standby General Offer. If Part C on the Form of Acceptance and Transfer (*pink*) is left blank or partially completed, the Standby General Offer Consideration will be withheld until the correct details are provided by the Certificated Shareholder.

19.6.2 Any Standby General Offer Consideration that is unpaid for any reason whatsoever will be held in trust until it is claimed by any person legally entitled to it, for a maximum period of five years, after which period such funds shall be paid over to the Guardian's Fund of the Master of the High Court. No interest will accrue or be paid on any Standby General Offer Consideration so held in trust.

20. **COMPULSORY ACQUISITION IN TERMS OF SECTION 124 OF THE COMPANIES ACT**

20.1 In the event that the Standby General Offer is implemented and accepted by holders of at least 90% of the Standby General Offer Shares, Walmart may, at its election, invoke the provisions of section 124(1) of the Companies Act, to compulsorily acquire all of the Standby General Offer Shares not already Tendered by the Eligible Shareholders.

20.2 Should the requisite number of acceptances be obtained to allow the provisions of section 124(1) of the Companies Act to be invoked, notice will be sent to the Remaining Shareholders, which circular will incorporate a notice, as envisaged in section 124(1)(a) of the Companies Act, and a further form of acceptance.

20.3 The provisions of section 124 of the Companies Act are set out in Annexure 7 to this Circular.

21. **GENERAL**

Within one Business Day of the fulfilment or waiver, to the extent permitted, of all of the Standby General Offer Conditions, a written certificate to such effect shall be executed by agreement between Walmart and Massmart. Upon execution of the aforementioned certificate by Walmart and Massmart, all of the Standby General Offer Conditions shall be deemed to have been fulfilled or waived, to the extent permitted, notwithstanding that Walmart may subsequently discover that any Standby General Offer Condition may not have been fulfilled or waived (as applicable).

SECTION D: GENERAL

22. MASSMART EMPLOYEE SHARE PLAN

22.1 Massmart Employee Share Plan

The Massmart Employee Share Plan consists of two categories pursuant to which Massmart Shares will be awarded – the Restricted Shares and the Performance Shares. The Restricted Shares and Performance Shares are conditional in nature and are granted or awarded, as the case may be, in accordance with the applicable grant or award methodology which forms part of Massmart's remuneration policy and takes into consideration, *inter alia*, a Participant's current status, role and remuneration. Massmart and Walmart have agreed the manner in which the Restricted Shares and the Performance Shares will be treated following, and subject to, the implementation of the Scheme or Standby General Offer, as applicable. Walmart (who, pursuant to the implementation of the Scheme or Standby General Offer, as applicable, shall be the sole shareholder of Massmart) undertakes to propose, and effect the necessary resolutions to amend the relevant Massmart share scheme following implementation of the Scheme or Standby General Offer, as applicable, to give effect to the undertakings contained in paragraph 23.

22.1.1 Restricted Shares

In respect of the Restricted Shares, the Parties agree that:

- 22.1.1.1 the vesting of 33.33% of the Restricted Shares shall be accelerated such that 33.33% of the Restricted Shares shall vest to the Participants no later than two months after the Scheme Implementation Date or the Standby General Offer Implementation Date, as applicable, at the Offer Consideration;
- 22.1.1.2 the Remaining Restricted Shares shall not accelerate on the Implementation Date but the vesting of such Restricted Shares will be accelerated post the implementation of the Scheme or Standby General Offer, as follows:
 - 22.1.1.2.1 40% of the Remaining Restricted Shares on the 1st (first) anniversary of the Implementation Date;
 - 22.1.1.2.2 40% of the Remaining Restricted Shares on the 2nd (second) anniversary of the Implementation Date; and
 - 22.1.1.2.3 the balance, being 20% of the Remaining Restricted Shares on the 3rd (third) anniversary of the Implementation Date,and each such acceleration shall be settled in cash and for an amount equal to the Offer Consideration; and
- 22.1.1.3 the terms of the Massmart Employee Share Plan relating to the settlement of Remaining Restricted Shares and those Restricted Shares granted and vested in the manner contemplated in paragraph 22.1.1.1, shall be amended to provide for settlement in cash (instead of Massmart Shares) for an amount equal to the Offer Consideration, being R62.00 per Massmart Share that a Participant would be entitled to and on the dates set out in paragraphs 22.1.1.1 and 22.1.1.2.

22.1.2 Performance Shares

In respect of the Performance Shares, the Parties agree that:

- 22.1.2.1 in respect of Massmart's financial year ending 31 December 2022, the terms of the Massmart Employee Share Plan applicable to the Performance Shares shall continue to apply (without amendment, other than as set out in paragraph 22.1.2.2) and Participants shall be entitled to receive any Performance Shares awards they are entitled to receive, subject to any applicable performance criteria being applied or the award methodology being met in accordance with the terms of the Massmart Employee Share Plan;
- 22.1.2.2 in terms of the Massmart Employee Share Plan relating to the vesting and settlement of Performance Shares awarded, the Massmart Employee Share Plan shall be amended to provide for any Performance Shares awarded to Participants for the financial years ending 31 December 2020, 31 December 2021 and 31 December 2022 to be settled in cash for an amount equal to the Offer Consideration, being R62.00 per Massmart Share that a Participant would be entitled to by no later than 30 April 2023. For the avoidance of doubt, the aforementioned amendments to the Massmart Employee Share Plan relating to vesting and settlement of Performance Shares will result in an acceleration of vesting and settlement of the awards made in April 2021, September 2021 and April 2022 as the full 3 (three) vesting cycle would not have been completed by April 2023; and
- 22.1.2.3 following the settlement of the Performance Shares as contemplated in paragraph 22.1.2.2, Walmart shall establish a new performance base incentive scheme in accordance with the undertaking set out in paragraph 23 and the share scheme applicable to the Performance Shares shall be terminated. For the avoidance of doubt, the Massmart Employee Share Plan applicable to the Performance Shares shall continue to remain operative until the establishment of a new performance based incentive scheme by Walmart and any Performance Shares not yet awarded by Massmart to Participants under the current Massmart Employee Share Plan will be replaced by the new performance based incentive scheme.

22.1.3 The provisions of this paragraph 22 is a term of the Scheme and shall constitute a stipulation for the benefit of employees of the Group who as at the Original Signature Date participate in the Restricted Shares incentive scheme and/or Performance Shares incentive scheme, as the case may be, and who shall be entitled to enforce such provisions on written notice to Walmart. To the extent that the stipulation is exercised, such must be exercised by at least 50% of the employees of the Group who as at the Original Signature Date participate in the Restricted Shares incentive scheme and/or Performance Shares incentive scheme, acting reasonably and in a joint capacity.

23. UNDERTAKING

- 23.1 Walmart undertakes to ensure that a new performance based incentive scheme is established for the Group as soon as reasonably possible post implementation of the Scheme or the Standby General Offer on fair and equitable terms and conditions to replace the existing Performance Shares incentive scheme set out in the Massmart Employee Share Plan and in accordance with Walmart policies then in place in respect of incentive schemes and subject to any Applicable Laws and/or regulatory requirements, which shall result in executives of the Group being treated at least as favourably as currently set out in the existing Massmart Employee Share Plan relating to the Performance Shares incentive scheme, save that B-BBEE Participants may be treated differently in the new performance based incentive scheme established for the Group or that such B-BBEE Participants may be subject to a different scheme, as the case may be.
- 23.2 For the avoidance of doubt, paragraph 23.1 shall constitute a stipulation for the benefit of employees of the Group who as at the Original Signature Date was signed participate in the Performance Shares incentive scheme set out in the Massmart Employee Share Plan and who shall be entitled to enforce such provisions on written notice to Walmart. To the extent that the stipulation is exercised, such must be exercised by at least 50% of the Participants, acting reasonably and in a joint capacity.

24. **TERMINATION EVENTS**

24.1 Subject to the TRP's approval, the Scheme will terminate with immediate effect and all rights and obligations of Massmart and Walmart under the Scheme shall, subject to any surviving provisions of this Circular, terminate forthwith:

24.1.1 upon written notice by Walmart to Massmart if:

24.1.1.1 the Independent Board: (i) withdraws, modifies, or qualifies its recommendation to vote in favour of the Scheme Resolution; and/or (ii) does not express and maintain a majority view that the Scheme Consideration is fair and reasonable to the Shareholders; or

24.1.1.2 the Independent Board recommends an Alternative Proposal to the Shareholders and/or and withdraws its recommendation of, or does not recommend, the Offer by Walmart.

24.2 Subject to the TRP's approval, the Standby General Offer will terminate with immediate effect and all rights and obligations of Massmart and Walmart under the Standby General Offer shall, subject to any surviving provisions of this Circular, terminate forthwith if any Standby General Offer Condition which may be waived by Walmart becomes incapable of fulfilment, and Walmart notifies Massmart in writing that Walmart will not waive that Standby General Offer Condition provided that the Standby General Offer Trigger Event has occurred.

25. **AUTHORITY TO IMPLEMENT THE SCHEME AND THE DELISTING**

At the General Meeting, the following resolutions regarding approvals required to implement the Scheme and the Delisting will be proposed to Eligible Shareholders:

25.1 as a Special Resolution, the approval of the Scheme in terms of section 115(2) of the Companies Act; and

25.2 as an Ordinary Resolution, Delisting of all the Shares on the Main Board of the JSE in accordance with paragraphs 1.15(a) and 1.16 of the Listings Requirements.

26. **APPOINTMENT OF INDEPENDENT EXPERT**

26.1 The Independent Board has appointed the Independent Expert to provide a fair and reasonable opinion regarding the Scheme, the Standby General Offer and the Delisting, and to make appropriate recommendations to the Independent Board in the form of a report contemplated in section 114(3) of the Companies Act and as contemplated in regulation 90 of the Takeover Regulations. Similarly, in accordance with paragraph 1.15(d) and Schedule 5 of the Listings Requirements, the Board appointed the Independent Expert for the purposes of providing external advice in regard to the fairness of the Standby General Offer Consideration insofar as same relates to the Delisting, in the event that the Scheme does not become operative but the Standby General Offer is implemented.

26.2 The Independent Expert's Report on the Scheme, Standby General Offer and the Delisting is set out in Annexure 1 to this Circular.

27. **AGREEMENTS REGARDING THE SCHEME AND STANDBY GENERAL OFFER**

27.1 Save for the Implementation Agreement, the non-disclosure and confidentiality agreement between Massmart and Walmart and the Irrevocable Undertakings as set out in paragraph 37 of this Circular and which are available for inspection as envisaged in paragraph 44, no agreements are in place between Massmart or any person acting in concert with Massmart and (i) the Directors (as at the Last Practicable Date or any persons who were Directors in the preceding 12 months) and/or (ii) Shareholders (as at Last Practicable Date or persons who were Shareholders in the last preceding 12 months) with regard to the Scheme, it being recorded that there are no parties acting in concert with Massmart, other than the disclosure set out below in this paragraph 27.

27.2 Other than as set out in this Circular, no other written agreements exist between Massmart, Walmart and/or any Shareholders which could be considered material to a decision regarding the Offer to be taken by Shareholders.

28. SUSPENSION AND TERMINATION OF THE MASSMART LISTING

- 28.1 The listing of all the Shares will be terminated from the main board of the JSE pursuant to the implementation of the Scheme or, if the Scheme does not become operative, the approval of the Delisting Resolution (provided that if Walmart invokes the provisions of section 124 of the Companies Act the Delisting Resolution will not be required).
- 28.2 An application will be made to the JSE for approval for the termination of the listing of all the Shares from the main board of the JSE, subject to the Scheme becoming operative or Eligible Shareholders voting in favour of the Delisting Resolution (provided that if Walmart invokes the provisions of section 124 of the Companies Act the Delisting Resolution will not be required).

29. ADDITIONAL INFORMATION ON MASSMART

As at 7 September 2022, being the date of the most recent updated securities register, insofar as is known to Massmart, the following Shareholders, were, directly or indirectly, beneficially interested in 5% or more of the Shares:

Shareholder	Number of Shares directly held	Percent of issued Shares
Walmart	115,651,347	52.8%
Public Investment Corporation	24,884,962	11.3%
Franklin Resources Inc	17,017,219	7.8%
Total	157,513,528	71.9%

Notes:

1. Based on 219,138,809 Shares in issue as at 7 September 2022.

30. PROSPECTS OF MASSMART IN THE UNLISTED ENVIRONMENT

- 30.1 The nature of Massmart's business is not likely to change significantly pursuant to the Delisting. The Board will be considered in light of the governance requirements for an unlisted but public interest company in accordance with the Companies Act requirements following the Delisting.
- 30.2 The unlisted environment may not meet certain Massmart Shareholders' investment objectives and the Shareholders are given the opportunity to dispose of their Shares in Massmart prior to the Delisting in terms of the Scheme and, if applicable, the Standby General Offer.

31. SHARES OF MASSMART

The authorised and issued ordinary Shares of Massmart at the Last Practicable Date are set out below:

Shares	R'000
<i>Authorised</i>	
500,000,000 ordinary shares of 1 cent each	5,000,000
20,000,000 non-redeemable cumulative nonparticipating preference shares of 1 cent each	200,000
18,000,000 "A" convertible redeemable non-cumulative participating preference shares of 1 cent each	180,000
4,000,000 "B" convertible redeemable non-cumulative participating preference shares of 1 cent each	40,000
<i>Issued</i>	
219,138,809 ordinary shares of 1 cent each	2,191,388.09

32. INFORMATION ON DIRECTORS

32.1 Details and experience of directors and directors' remuneration

32.1.1 Biographical details of the Directors and the total aggregate remuneration and benefits paid to the Directors for the year ended 31 December 2021 are set out in the consolidated audited historical financial statements of Massmart which can be found on the Company's website: <https://www.massmart.co.za/>.

32.1.2 There will be no variation in the remuneration receivable by any of the Directors as a consequence of the Scheme, or if applicable, the Standby General Offer.

32.2 Directors' interest in Massmart Shares

The direct and indirect beneficial interests of the Directors, and their associates (as defined in the Listings Requirements), in Shares, including Directors who have resigned over the last 18 months as at the Last Practicable Date are set out in the table below:

Director	Beneficial direct	Beneficial indirect	Total	%
Olufunke Ighodaro	21 935	–	21 935	0.01
Kuseni Dlamini	9 954	–	9 954	0.005
Mitchel Slape	300 000	–	300 000	0.14
Total	331 889	–	331 889	0.155

In addition to the abovementioned Directors, it is noted that 47,479 Restrictive Shares have been granted and shall vest in favour of Mohammed Abdool-Samad with effect from 19 September 2022 in accordance with the Massmart Employee Share Plan.

32.3 Directors' interest in Walmart shares

The direct and indirect beneficial interests of the Directors, and their associates (as defined in the Listings Requirements), in Walmart shares are set out in the table below:

Director	Beneficial direct	Beneficial indirect	Total	%
John Peter Suarez	29,079	–	29,079	0.0011
Daria Esteen Beekom	12,596	–	12,596	0.0005
Charles Redfield	86,721	–	86,721	0.0032
Mitchell Slape	28,848	–	28,848	0.0011
Total	157,244	–	157,244	0.0059

32.4 Directors' dealings in Shares

There have been no dealings in Massmart Shares by Walmart, the Directors and their associates for the period commencing six months prior to the Firm Intention Announcement and ending on the Last Practicable Date. The provisions of the Massmart Employee Share Plan shall continue to be applicable and in this regard, please see paragraph 22. Information relating to the Director's dealings in Walmart shares for the period commencing six months prior to the Firm Intention Announcement and ending on the Last Practicable Date is set out below:

Director	Nature of trade	Trade date	Trade price (per share) USD	Total shares traded
John Peter Suarez	purchase	17 March 2022	145.01	1 997.000
	purchase	12 May 2022	147.48	35.000
	purchase	9 June 2022	121.02	35.000
	purchase	7 July 2022	125.32	35.000
	purchase	18 August 2022	139.07	35.000
Charles Redfield	purchase	15 March 2022	144.05	1 746.000
	purchase	10 May 2022	151.31	85.00
	purchase	7 June 2022	124.87	85.000
	purchase	5 July 2022	122.63	85.000
	purchase	16 August 2022	132.60	85.000
	purchase	15 March 2022	145.2	0.534
	purchase	29 March 2022	147.15	0.476
	purchase	4 April 2022	151.77	44.404
	purchase	12 April 2022	153.58	0.524
	purchase	26 April 2022	156.14	0.515
	purchase	10 May 2022	149.43	0.538
	purchase	24 May 2022	123.24	0.653
	purchase	31 May 2022	28.82	52.517
	purchase	7 June 2022	122.63	0.657
	purchase	21 June 2022	121.94	0.660
	purchase	5 July 2022	123.79	0.650
	purchase	19 July 2022	129.65	0.621
	purchase	2 July 2022	133.04	0.605
	purchase	16 August 2022	139.96	0.575
	purchase	30 August 2022	132.52	0.607
Mitchell Slape	purchase	1 March 2022	136.27	0.591
	purchase	15 March 2022	145.25	0.554
	purchase	15 March 2022	144.05	666.000
	purchase	15 March 2022	144.05	82.000
	purchase	29 March 2022	147.15	0.476
	purchase	4 April 2022	151.77	1.698
	purchase	12 April 2022	153.58	0.524
	purchase	12 April 2022	154.29	74.000
	purchase	26 April 2022	156.14	0.515
	purchase	10 May 2022	149.43	0.538
	purchase	10 May 2022	151.31	30.000
	purchase	10 May 2022	151.31	83.000
	purchase	24 May 2022	123.24	0.653
	purchase	31 May 2022	128.82	2.014
	purchase	7 June 2022	122.63	0.657
	purchase	7 June 2022	124.87	83.000
	purchase	7 June 2022	124.87	30.000
	purchase	21 June 2022	121.94	0.660

Director	Nature of trade	Trade date	Trade price (per share) USD	Total shares traded
	purchase	5 July 2022	123.79	0.650
	purchase	5 July 2022	122.63	86.000
	purchase	5 July 2022	122.63	31.000
	purchase	19 July 2022	129.65	0.621
	purchase	2 August 2022	133.04	0.605
	purchase	2 August 2022	132.54	86.000
	purchase	16 August 2022	132.60	31.000
	sale	23 August 2022	134.09	8 093.000
	purchase	30 August 2022	132.52	0.607
	purchase	30 August 2022	132.88	87.000

32.5 Service contracts

The service contracts in place between the Company's executive Directors contain terms and conditions that are usual for contracts of this nature. No service contracts were entered into, or amended in the six months preceding the Last Practicable Date.

32.6 Directors' interest in transactions

Save for the information disclosed in this Circular, none of the Directors, including those who have resigned in the 18 months preceding the Last Practicable Date, have any material beneficial, direct or indirect interest in any transactions that were effected by Massmart during the current or immediately preceding financial year or during an earlier financial year and remain in any respect outstanding or unperformed.

33. FINANCIAL INFORMATION

33.1 The extracts of Massmart's consolidated audited historical financial statements the 52 weeks ended 29 December 2019, 27 December 2020 and 26 December 2021 are included in Annexure 2 to this Circular, but excludes the accounting policies and notes to the financial statements, for the past three years, in this circular.

33.2 Full copies of the last three years' audited historical financial statements: (i) will be made available to Shareholders, on request; and (ii) are accessible on Massmart's website (<https://www.massmart.co.za/>), as follows:

33.2.1 for the 52 weeks ended 29 December 2019;

33.2.2 for the 52 weeks ended 27 December 2020; and

33.2.3 for the 52 weeks ended 26 December 2021,

and (iii) are available for inspection, at Massmart's registered office, in accordance with the provisions of paragraph 44 below.

33.3 Massmart's unaudited condensed consolidated interim results for the six months ended 26 June 2022 are included in Annexure 3 to this Circular.

34. LITIGATION STATEMENT

The Independent Board is not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened that may have or may have had in the 12 months preceding the Last Practicable Date a material effect on the Company's financial position.

35. **TAX IMPLICATIONS FOR SHAREHOLDERS, SCHEME PARTICIPANTS AND STANDBY GENERAL OFFER PARTICIPANTS**

The tax implications of the Scheme and the Standby General Offer are dependent on the individual circumstances of, and the tax jurisdictions applicable to the Shareholders, Scheme Participant and the Standby General Offer Participant concerned. It is recommended that the Shareholders, Scheme Participants and the Standby General Offer Participants seek appropriate professional advice in this regard.

36. **FUNDING OF THE SCHEME CONSIDERATION AND STANDBY GENERAL OFFER CONSIDERATION**

- 36.1 The maximum aggregate number of Scheme Shares capable of being acquired pursuant to the Scheme will be 101,050,552 Scheme Shares and accordingly the maximum aggregate Scheme Consideration payable by Walmart will be R62.00.
- 36.2 The maximum aggregate number of Standby General Offer Shares capable of being acquired pursuant to the Standby General Offer will be 101,050,552 Standby General Offer Shares and accordingly the maximum aggregate Standby General Offer Consideration payable by Walmart will be R62.00.
- 36.3 Walmart will fund the settlement of the Scheme Consideration or the Standby General Offer Consideration, as applicable, from Walmart's existing cash resources. Walmart has delivered an irrevocable unconditional bank guarantee to the TRP issued by Goldman Sachs International Bank Johannesburg Branch, for the sole purpose of settling the Scheme Consideration or the Standby General Offer Consideration, in compliance with regulations 111(4) and 111(5) of the Takeover Regulations.

37. **IRREVOCABLE UNDERTAKINGS**

Irrevocable Undertakings

As at the Last Practicable Date, Massmart and Walmart have received the following Irrevocable Undertakings from the following Eligible Shareholders to vote in favour of the Resolutions and to accept the Standby General Offer, which Eligible Shareholders collectively hold 0.321% of the Scheme Shares or Standby General Offer Shares, as the case may be:

Irrevocable Party	Number of Scheme Shares/Standby General Offer Shares subject to the Irrevocable Undertakings	Percentage holding in Massmart¹	Percentage holding of Scheme Shares/Standby General Offer Shares²
Olufunke Ighodaro	21 935	0.01%	0.02%
Kuseni Dlamini	9 954	0.005%	0.001%
Mitchell Slape	300 000	0.14%	0.3%
Total	331 889	0.155%	0.321%

Notes:

1. Based on **219,138,809** Shares in issue as at the Last Practicable Date.
2. Based on **101,050,552** Scheme Shares/Standby General Offer Shares.
3. There have been no dealings in Massmart Shares by any of the parties disclosed above for the period commencing six months prior to the Firm Intention Announcement and ending on the Last Practicable Date.

38. OPINIONS AND RECOMMENDATIONS

38.1 Appointment of the Independent Expert

The Independent Board has appointed the Independent Expert, to provide a fair and reasonable opinion regarding the Scheme, the Delisting and Standby General Offer and to make appropriate recommendations to the Independent Board in the form of a report contemplated in section 114(3) of the Companies Act and as contemplated in regulation 90 of the Takeover Regulations. Similarly, in accordance with paragraph 1.15(d) of section 1 and schedule 5 of the Listings Requirements, the Independent Board appointed the Independent Expert for the purposes of providing external advice in regard to the fairness of the Standby General Offer Consideration insofar as same relates to the Delisting in the event that the Scheme does not become operative but the Standby General Offer is implemented. The Independent Expert's Report on the Scheme and the Standby General Offer is set out in Annexure 1 of this Circular.

38.2 Report of the Independent Expert

38.2.1 The Independent Expert has, as contemplated in regulation 110(1) of the Takeover Regulations, performed a valuation on the Massmart Shares. The report of the Independent Expert also includes the items required by section 114(3) of the Companies Act. The Independent Expert has further, in accordance with paragraph 1.15(d) of the Listings Requirements, provided external advice in regard to the fairness of the Standby General Offer Consideration insofar as same relates to the Delisting, in the event that the Scheme does not become operative and the Standby General Offer is implemented.

38.2.2 Taking into consideration the terms and conditions of the Scheme, the Delisting and the Standby General Offer, the Independent Expert is of the opinion that such terms and conditions are fair and reasonable to Eligible Shareholders. Eligible Shareholders are referred to Annexure 1 in this Circular, which sets out the full text of the Independent Expert's Report regarding the Scheme and the Standby General Offer.

38.3 Independent Board's opinion

38.3.1 The Independent Board has been tasked to consider whether the terms and conditions of the Scheme, the Delisting and Standby General Offer (including the Scheme Consideration and Standby General Offer Consideration) in terms of the Listings Requirements are fair to Shareholders and in terms of the Employee Share Scheme Amendments are fair to the Participants. In discharging its obligations, the Independent Board undertook an independent assessment of the terms and conditions of the Scheme and Standby General Offer and engaged the Independent Expert to provide the Independent Expert's Report on the Scheme, the Delisting and the Standby General Offer.

38.3.2 The Independent Board, after due consideration of the Independent Expert's Report regarding the Scheme, the Delisting and the Standby General Offer, and in accordance with its responsibilities in terms of regulation 110 of the Takeover Regulations, has formed a view of the range of the fair value of the Massmart Shares, which accords with the valuation range contained in the Independent Expert's Report. The Independent Board is not aware of factors that are difficult to quantify, or are unquantifiable, that need to be taken into account in forming its opinion. The Independent Board has not received any other offers preceding the Last Practicable Date. The Scheme Consideration and the Standby General Offer Consideration both exceed the fair value per Massmart Share.

38.3.3 The members of the Independent Board, taking into account the Independent Expert's Report regarding the Scheme and the Standby General Offer, have considered the terms and conditions thereof, and are unanimously of the opinion that the terms and conditions of the Scheme and the Standby General Offer are fair and reasonable to Shareholders and, accordingly, recommend that Eligible Shareholders vote in favour of the Resolutions.

38.4 Massmart Board's opinion

- 38.4.1 Shareholders should take note that the members of the Massmart Board, taking into account the Independent Expert's Report regarding the Scheme, the Delisting and the Standby General Offer, have considered the terms and conditions thereof, and are unanimously of the opinion that the terms and conditions of the Scheme and the Standby General Offer are fair and reasonable to Shareholders, and recommend that Eligible Shareholders vote in favour of the Resolutions.
- 38.4.2 In terms of paragraph 1.15(d) of the Listings Requirements, the members of the Massmart Board, taking into account the Independent Expert's Report regarding the Standby General Offer, insofar as it relates to the Delisting (provided that if Walmart invokes the provisions of section 124 of the Companies Act the Delisting Resolution will not be required), have considered the terms and conditions thereof, and are unanimously of the opinion that the terms and conditions of the Standby General Offer are fair to the Shareholders, and recommend that Eligible Shareholders vote in favour of the Delisting Resolution and accept the Standby General Offer.
- 38.5 Olufunke Ighodaro holds 21,935 Shares, Kuseni Dlamini holds 9,954 Shares and Mitchell Sape holds 300 000 Shares in Massmart as at the Last Practicable Date. Each of Kuseni Dlamini and Olufunke Ighodaro have confirmed, in accordance with regulation 108(8) of the Takeover Regulations, that the Shares they hold do not (i) have an intrinsic value which represents a material amount of their respective net worth and/or (ii) represent a material holding in Massmart.
- 38.6 In terms of regulation 106(7)(a) of the Takeover Regulations, the Board confirms that no offer has been received by the Company in the six months preceding the Last Practicable Date.

39. DIRECTORS' RESPONSIBILITY STATEMENT

- 39.1 Each of the members of the Independent Board and the Board, collectively and individually, accepts full responsibility for the accuracy of the information contained in this Circular relating to Massmart and certifies that, to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.
- 39.2 In compliance with regulation 106(4)(i), Walmart accepts full responsibility for the accuracy of the information contained in this Circular relating to Walmart and certifies that, to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law.

40. CONSENTS

All the parties listed in the section "Corporate Information and Advisors", have consented in writing to act in the capacities stated and the inclusion of their names, and, where applicable, the inclusion of their reports, in the form and context in which they appear in this Circular, and have not withdrawn their consents prior to the Last Practicable Date.

41. DELISTING

- 41.1 Subject to the Scheme becoming unconditional and being implemented or the Delisting Resolution being passed, the Delisting will take place from the commencement of trading on the Business Day following the (i) Scheme Implementation Date, in respect of the Scheme or (ii) Standby General Offer Implementation Date or such other date as applicable, in respect of the Delisting Resolution.
- 41.2 Alternatively, if the Standby General Offer is accepted by the Shareholders such that following the Standby General Offer, holders of at least 90% of the Standby General Offer Shares have accepted the Standby General Offer and Walmart invokes the provisions of section 124 of the Companies Act to acquire the remaining Shares, the Delisting will take place from the commencement of trading on the Business Day following the Standby General Offer Implementation Date.
- 41.3 The Delisting Resolution must be approved by the requisite majority of Eligible Shareholders being at least 75% of the votes exercised by the Eligible Shareholders present or represented by proxy at the General Meeting as contemplated in paragraphs 1.15(a) and 1.16 of the Listings Requirements.

42. EXPENSES

It is estimated that the total expenses relating to the Scheme and Standby General Offer will amount to approximately **R44,743,500** (costs are exclusive of VAT) and includes the following:

Description	Estimated amount R'000
Legal and Tax Advisor to Massmart – ENS	3,200
PR Advisor – Brunswick	1,925
Documentation Review – JSE	42
Documentation Review – TRP	460
Printing and Publication – Ince	400
Postage – SA Post Office	100
Financial Advisor and Transaction Sponsor to Massmart – Standard Bank	35,000
Regulatory – FinSurv	50
Electronic Meeting Host – LumiGlobal	66.5
Institutional and proxy advisor engagement, proxy advisor risk analysis, CSDP and Strate engagement – Georgeson	500
Independent Expert – PWC	3,000
Total	R44,743,500

43. NOTICE OF GENERAL MEETING

43.1 The General Meeting will be held at the Company's registered office, Massmart House, 16 Peltier Drive, Sunninghill, Ext 6 Gauteng, 2196 at 10:00 on Friday, 21 October 2022 (or any other adjourned or postponed date and time in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements) to consider and, if deemed fit, approve, with or without modification, the Resolutions.

43.2 The Notice convening the General Meeting and a Form of Proxy (*yellow*) for use by Certificated Shareholders and Own-Name Dematerialised Shareholders who are unable to attend the General Meeting, are attached to and form part of this Circular.

44. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, are available for inspection at the registered office of the Company or by email request from investor.relations@Massmart.co.za from the date of issue of this Circular up to and including ten Business Days after the Scheme Record Date or in the event that the Standby General Offer is implemented, the Standby General Offer Closing Date:

- 44.1 the non-disclosure and confidentiality agreement;
- 44.2 the Implementation Agreement;
- 44.3 the Irrevocable Undertakings as referred to in paragraph 37 of this Circular;
- 44.4 written consents of the Transfer Secretary and the professional advisors to Massmart and Walmart;
- 44.5 the signed Independent Expert's Report set out in Annexure 1 to this Circular;
- 44.6 the letter issued by the TRP approving this Circular in terms of regulation 117 of the Takeover Regulations;
- 44.7 a signed copy of this Circular;
- 44.8 the Company's MOI;
- 44.9 Massmart's audited annual financial statements for the financial years ended 26 December 2021, 27 December 2020 and 29 December 2019; and
- 44.10 Massmart unaudited interim results for the 6 months ended 30 June 2022.

45. **FOREIGN SHAREHOLDERS**

Information regarding foreign Eligible Shareholders and Exchange Control Regulations is set out in Annexure 5 to this Circular.

46. **RESTRICTED JURISDICTIONS**

46.1 To the extent that the release, publication or distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such jurisdiction, then this Circular is deemed to have been provided for information purposes only and the Board and/or Walmart accept no responsibility for any failure by Foreign Shareholders to inform themselves about, and to observe, any applicable legal requirements in any such relevant foreign jurisdiction.

46.2 Shareholders who are in doubt as to their position should consult their professional advisors immediately.

47. **GENERAL**

For purposes of the Delisting Resolution, in terms of paragraph 1.15 of the Listings Requirements and the Scheme Resolution in terms of section 114 of the Companies Act, save for Treasury Shares and the Massmart Shares held by Walmart (being 115,651,347 Massmart Shares as at the Last Practicable Date), its associates, any party related to Walmart and any person acting in concert with Walmart there are no voting rights in respect of the Massmart Shares which cannot be taken into account in calculating the percentage of voting rights required:

47.1 to determine whether the applicable quorum of Eligible Shareholders is present at the General Meeting; and

47.2 to approve the Delisting Resolution and the Scheme Resolution.

SIGNED ON BEHALF OF THE INDEPENDENT BOARD

Kuseni Dlamini
Chairperson

Thursday, 22 September 2022

SIGNED ON BEHALF OF THE BOARD

Mitchell Slape
Chief Executive Officer

Thursday, 22 September 2022

SIGNED ON BEHALF OF THE WALMART BOARD

John Peter Suarez
Director

Thursday, 22 September 2022

INDEPENDENT EXPERT'S REPORT ON THE SCHEME AND STANDBY GENERAL OFFER

The Directors
Massmart Holdings Limited
16 Peltier Drive
Sunninghill Ext. 6
Sandton
2157
South Africa

21 September 2022

Dear Directors

Independent Expert's report in connection with the offer by Walmart Inc. to acquire all the issued shares of Massmart Holdings Limited not already held by Walmart Inc. (or a subsidiary of Walmart Inc.) and the subsequent delisting of Massmart Holdings Limited from the Johannesburg Stock Exchange

Introduction

In a joint firm intention announcement on 1 September 2022, Walmart Inc. ("**Walmart**") and Massmart Holdings Limited ("**Massmart**") announced that they have concluded an Implementation Agreement dated 31 August 2022 ("**the Original Agreement**"), and Massmart have received notice from Walmart of its firm intention to make an offer, as contemplated by the regulations prescribed by the Minister of Trade and Industry in terms of Sections 120 and 223 of the Companies Act, No. 71 of 2008, as amended from time to time (the "**Companies Act**"), in Chapter 5 of the Companies Regulations, 2011 (the "**Takeover Regulations**"), to acquire all the issued shares of Massmart, excluding treasury shares and shares not already held by Walmart (including its associates, any party related to Walmart and any person acting in concert with Walmart), by way of an offer (the "Offer"), to be implemented by:

- a scheme of arrangement in terms of Section 114(1) as read with Section 115 of the Companies Act and Chapter 5 of the Companies Regulations, 2011 ("**Companies Regulations**") to be proposed by the board of directors of Massmart ("**Massmart Board**") (the "**Scheme**") between Massmart and Massmart's shareholders but excluding Walmart (including its associates, any party related to Walmart and any person acting in concert with Walmart) and any holders of treasury shares (the "**Scheme Participants**"); or
- a conditional general offer by Walmart to Massmart's shareholders but excluding Walmart (including its associates and any party related to Walmart) and any holders of treasury shares ("**Standby General Offer Participants**") to acquire their shares in Massmart in terms of section 117(1)(c)(v) of the Companies Act and Regulation 102 of the Takeover Regulations and in terms of paragraph 1.15(c) of JSE Limited's ("**JSE**") Listings Requirements (the "**Listings Requirements**"), conditional on the Scheme failing or not becoming implemented for any reason whatsoever (the "**Standby General Offer**").

Following further engagement, Massmart and Walmart required further changes to be made to the Original Agreement and as such, the Amended and Restated Implementation Agreement ("**the Implementation Agreement**") was concluded on 21 September 2022 replacing the Original Agreement in its entirety.

Following the implementation of the Scheme, or the Standby General Offer, in the alternative, an application will be made to the JSE for the delisting of all the ordinary shares of Massmart from the JSE ("**Delisting**"). Together, the Scheme or the Standby General Offer, and the resulting delisting of Massmart from the main board of the JSE are referred to as the "Proposed Transaction".

The Proposed Transaction constitutes an "affected transaction" as defined in section 117(1)(c)(iii) of the Companies Act. Consequently, the Proposed Transaction is regulated by the Companies Act and the Takeover Regulations.

In accordance with section 114(2) and 114(3) of the Companies Act and regulations 90 and 110 of the Takeover Regulations, the board of directors of Massmart ("**the Massmart Board**") is required to obtain independent expert advice and to appoint an independent expert to evaluate the consequences of the Proposed Transaction, and assess the effects of the Proposed Transaction on the rights and interests of all holders of Massmart securities, excluding Walmart.

The Massmart Board has requested PricewaterhouseCoopers Corporate Finance Proprietary Limited (“**PwC**”) to act as independent expert in terms of section 114(2) and 114(3) of the Companies Act and regulation 90 of the Takeover Regulations.

In addition, since the Proposed Transaction will result in Massmart being delisted from the JSE, the provisions of section 1.15 of the JSE Listings Requirements apply. Section 1.15 (d) of the JSE Listings Requirements require the issuer to “include a statement by the board of directors confirming whether the transaction is fair insofar as the shareholders of the issuer are concerned and that the board of directors has been so advised by an independent expert acceptable to the JSE. The board of directors must obtain a fairness opinion (which must be included in the circular) prepared in accordance with Schedule 5, before making this statement”.

The Massmart Board has therefore requested PwC to act as independent professional expert in terms of the JSE Listings Requirements.

Description of the Proposed Transaction

Subject to the Scheme becoming operative, Scheme Participants will receive a cash consideration of R62.00 (the “**Scheme Consideration**”) for each ordinary share held by them on the date on which the Scheme becomes operative and is implemented (“**Scheme Implementation Date**”). In the event that the Scheme fails or is not implemented for any reason whatsoever, and the Standby General Offer is made and becomes wholly unconditional in accordance with its terms, the Standby General Offer Participants will receive a cash consideration of R62.00 per share (the “**Standby General Offer Consideration**”) for each ordinary share held by them on the date on which the Standby General Offer is implemented (“**Standby General Offer Implementation Date**”). The Scheme Consideration or the Standby General Offer Consideration constitute the “Offer Consideration”, as the context may require.

Pursuant to paragraph 1.17(b) of the JSE Listings Requirements, all the ordinary shares of Massmart will be delisted from the main board of the JSE pursuant to the implementation of the Scheme, or the Standby General Offer, in the alternative.

As a term of the Scheme, of the Standby General Offer in the alternative, post implementation of the Proposed Transaction the terms of the Massmart Holdings Limited 2013 Share Plan (“**the Massmart Employee Share Plan**”) shall be amended such that (the “**Share Scheme Amendments**”):

- 33.33% of the Restricted Shares, as defined in the Massmart Employee Share Plan (“**Restricted Shares**”), will be accelerated by way of vesting to the participants of the Massmart Employee Share Plan (the “**Participants**”) no later than two months after the implementation of the Proposed Transaction at the Offer Consideration;
- the remaining 66.67% of the Restricted Shares (“**Remaining Restricted Shares**”) will not be accelerated on the implementation of the Proposed Transaction but the vesting of such Restricted Shares will be accelerated post implementation of the Proposed Transaction as follows:
 - 40% of the Remaining Restricted Shares on the first anniversary of the implementation of the Proposed Transaction;
 - 40% of the Remaining Restricted Shares on the second anniversary of the implementation of the Proposed Transaction; and
 - 20% of the Remaining Restricted Shares on the third anniversary of the implementation of the Proposed Transaction,and each such acceleration shall be settled in cash for an amount equal to the Offer Consideration; and
- the terms of the Massmart Employee Share Plan relating to the vesting and settlement of Performance Shares, as defined in the Massmart Employee Share Plan (“**Performance Shares**”), shall be amended to provide for any Performance Shares awarded to Participants during the financial years ending 31 December 2020, 31 December 2021 and 31 December 2022 to be settled in cash for an amount equal to the Offer Consideration by no later than 30 April 2023. This will result in an acceleration of the vesting of the April 2021, September 2021 and April 2022 awards as the full three year vesting cycle would not have been completed by April 2023.

In accordance with the terms of the Implementation Agreement, as soon as reasonably possible following the implementation of the Proposed Transaction, Walmart has undertaken that a new performance based incentive scheme is established for Massmart on fair and equitable terms and conditions, to replace the Massmart Employee Share Plan. The Massmart Employee Share Plan terms applicable to the Performance Shares shall continue to remain operative until establishment of the new performance based incentive scheme by Walmart. Walmart has undertaken that the new performance based incentive scheme to be put in place will result in participants being treated as least as favourably as the Massmart Employee Share Plan.

Full details of the Proposed Transaction and the Share Scheme Amendments are contained in the combined circular to Massmart Ordinary Shareholders (“**the Circular**”) dated 22 September 2022 which includes a copy of this letter.

Identification of securities that are affected

The current securities issued by Massmart (excluding Treasury Shares) and consequently the securities affected by the Proposed Transaction are:

- 216 701 899 Massmart ordinary shares, of which 101 050 552 are not already held by Walmart (or a subsidiary of Walmart);
- 10 661 037 Performance Shares in terms of the Massmart Employee Share Plan; and
- 6 418 630 Restricted Shares in terms of the Massmart Employee Share Plan.

Definition of Fair and Reasonable

Market Value is the estimated amount for which an asset, in this case the ordinary shares of Massmart, should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

An offer is generally Fair and Reasonable if the consideration received is equal to or greater than the Market Value of the securities acquired. Fairness is primarily based on quantitative issues and reasonableness on qualitative issues surrounding the particular offer. Even though the consideration may be lower than the Market Value, the entire transaction may still be fair and reasonable after considering other significant qualitative factors, for example the availability of competing offers, the premium offered to the ruling market price, liquidity and free float of the share.

An individual shareholder’s decision as to whether to support a particular transaction may be influenced by his or her particular circumstances (for example taxation) and the price paid for the shares. This fair and reasonable opinion does not purport to cater for individual shareholders’ positions but rather the rights and interests of the general body of shareholders subject to the offer. Should a shareholder be in doubt, he or she should consult an independent expert as to the merits of the transaction, considering his/her personal circumstances.

In reaching a conclusion on whether the Proposed Transaction is Fair and Reasonable to the Massmart ordinary shareholders, we considered the material effects of the Proposed Transaction on the rights and interests of the holders of the securities affected by the Proposed Transaction.

In respect of the Massmart ordinary shares, this entailed a comparison of the Market Value of the Massmart ordinary shares to the Offer Consideration.

In reaching a conclusion on whether the Share Scheme Amendments are Fair and Reasonable to the Participants, we considered the material effects of the Share Scheme Amendments on the rights and interests of the holders of the Restricted Shares and the Performance Shares. This entailed a comparison of the Market Value of the Massmart ordinary shares to the present value of the vested settlements to be received by the Participants in terms of the Share Scheme Amendments.

Sources of Information

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from Massmart management (“**Management**”) and from various public, financial, and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our valuation include:

- Audited annual financial statements for Massmart for the years ended 31 December 2016 to 31 December 2021;
- Massmart’s management accounts for the years ended 31 December 2018, 2019, 2020 and 2021 and the year-to-date management accounts as at 30 June 2022;
- Management forecasts for the period 31 December 2022 to 31 December 2027 as contained in the long-range forecast plan;
- Board presentations and other presentations relating to the transaction and forecast assumptions obtained from Massmart management;
- Deferred tax calculation for Massmart as at 31 December 2021 and the assessment of the utilisation of assessed loss balances performed by Management dated July 2022;

- Sale of Business Agreements relating to the sale of Massmart businesses treated as discontinued operations as well as those agreed for divestiture;
- Massmart Share Incentive Plan rules and Management's calculations relating to the share scheme grants in issue as at 31 December 2021 and 30 June 2022;
- Discussions with Management of Massmart;
- For our macroeconomic research we used the following sources:
 - HS Global Insight, Nedbank, Business Monitor International, Investec, Bureau for Economic Research, Absa Capital, International Monetary Fund; IDC; DekaBank; Deutsche Bank; EIU; Goldman Sachs; JP Morgan; KBC; Moody's Analytics; Oxford Economics; S&P Global; NKC African Economics; Fitch Solutions; FNB; SARB and Bloomberg; and
 - S&P CapitalIQ for financial data in respect of comparable companies.
- Transaction data obtained from Mergermarket and S&P CapitalIQ;
- S&P CapitalIQ and various reports from financial institutions for industry analysis and financial data on comparable companies;
- Massmart share price and volume trading information from S&P CapitalIQ;
- PwC Valuation Methodology Survey, 9th Edition;
- The Indicative Non-Binding Offer letter ("**NBIO**") dated 30 June 2022;
- SENS announcement entitled "Potential Offer By Walmart To Acquire All The Outstanding Shares In Massmart That It Does Not Already Own" dated 29 August 2022;
- Original Agreement between Massmart and Walmart dated 31 August 2022;
- Implementation Agreement between Massmart and Walmart dated 21 September 2022;
- Joint Firm Intention Announcement dated 1 September 2022;
- Draft circular to be dated on or about 22 September 2022; and
- Representations made by Management.

Where practicable, we have corroborated the reasonableness of the information provided to us for the purpose of supporting our opinion, whether in writing or obtained through discussions with Management.

Our procedures and enquiries did not constitute an audit in terms of the International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

Valuation Approach

We performed an independent valuation of the ordinary shares of Massmart as at 30 June 2022.

We have considered the following approaches when estimating the Market Value of the ordinary shares of Massmart: the Income Approach, the Market Approach and the Net Assets Approach.

- The Income Approach indicates the Market Value of the ordinary shares of a business based on the value of the cash flows that the company to be valued can be expected to generate in the future.
- The Market Approach indicates the Market Value of the ordinary shares of a business based on a comparison of the company to be valued with comparable publicly traded companies and transactions in its industry.
- The Net Assets Approach indicates the Market Value of the ordinary shares of a business by adjusting the asset and liability balances on the balance sheet of the company to be valued to their Market Value equivalents. The approach is based on the summation of the individual piecemeal Market Values of the underlying assets less the Market Value of the liabilities.

For the purposes of our valuation, we used the Income Approach (discounted cash flow valuation) as our primary approach to value Massmart by considering financial forecasts for each Massmart division separately. We then performed a sum-of-the-parts analysis to determine the Market Value of Massmart on a per share basis. The Net Assets Approach was utilised in the application of the sum-of-the-parts analysis. In addition, we considered the Market Approach (based on financial data for comparable publicly traded companies) as an alternative valuation approach to support the results of our Income Approach analysis on a consolidated basis for Massmart.

The key valuation assumptions considered in our Income Approach analysis included forecast revenue growth, cost growth and profit margins, taxation, capital expenditure, working capital requirements, perpetuity growth

rate and the weighted average cost of capital (“**WACC**”). The discounted cash flow valuation was performed taking cognisance of risk and other market and industry factors affecting Massmart’s operations. The risk analysis included, but was not limited to, the operating environment in which Massmart operates, the current economic climate and the overall expected returns on similar shares in the market. Prevailing market and industry conditions were also considered in assessing the risk profile of Massmart. The financial forecasts were discounted at a WACC of between 14.2% and 14.8% to arrive at the present value of future cash flows of the business, and we applied a terminal growth rate of 4.7%, in line with our consensus view on the long term Consumer Price Index (“**CPI**”) in South Africa.

The valuation of Massmart is driven by the following key internal factors:

1. Forecast revenue growth for business as usual (“**BAU**”) operations and new stores, where applicable;
2. Gross profit margins;
3. Fixed and variable cost assumptions;
4. Earnings before Interest, Taxation, Depreciation and Amortisation (“**EBITDA**”) margins;
5. Forecast capital expenditure;
6. Forecast net working capital balances and movements; and
7. Estimated sales proceeds for the sale of discontinued operations.

The valuation of Massmart is driven by the following key external factors:

1. Assumptions in respect of the forecast CPI in South Africa for the calendar years 2022 to 2026, with long-term consensus forecast CPI of 4.7%;
2. Assumptions in respect of the forecast real Gross Domestic Product (“**GDP**”) growth for the calendar years 2022 to 2026, with long term consensus forecast real GDP growth of 2.0%;
3. Assumptions in respect of the growth in the retail sector in South Africa;
4. Assumptions in respect of consumer spending in the South African market;
5. Prevailing long-term interest rates in South Africa which drive the cost of debt assumption used in our WACC calculation; and
6. Market, industry and regulatory conditions specific to the retail industry in South Africa.

We tested the sensitivity of the valuation to changes in revenue growth, operating costs growth, net working capital forecasts, the WACC and the terminal growth rate applied. The valuation of Massmart is most sensitive to changes in forecast revenue growth, forecast long term EBITDA margins, the WACC and the terminal growth rate applied.

In respect of the valuation of Massmart, we found that a variance of 1% in the WACC resulted in a variation of 11.8% in the Enterprise Value of Massmart, and a variation of 1% in the terminal growth rate resulted in a variation of 11.5% in the Enterprise Value of Massmart.

In respect of the valuation of Massmart, a number of scenarios were considered in respect of the above key internal and external economic factors. These scenarios were used to determine the concluded value ranges in respect of Massmart that formed the basis of our Fair and Reasonable opinion.

Our considerations in respect of the Share Scheme Amendments included the following:

- In respect of the Restricted Shares, we determined the present value of the amounts to be settled to the Participants in terms of the Share Scheme Amendments, and compared this to the Market Value of the ordinary shares of Massmart as at 30 June 2022. The amounts to be settled to the Participants were discounted at the risk-free rate based on the applicable South African government bond yield for which the time to maturity approximates the time until vesting of each Restricted Share tranche;
- In respect of the Restricted Shares, we also considered the period of time before the Restricted Shares vest to the Participants, and therefore the lock-in discount that would be applicable to the Market Value of the Restricted Shares at each respective vesting date in terms of the Massmart Employee Share Plan. We applied a lock-in discount to discount the Market Value of the ordinary shares of Massmart to arrive at the Market Value of the Restricted shares, and compared this to the present value of the amount to be settled to the Participants at each respective vesting date in terms of the Share Scheme Amendments;

- In respect of the Performance Shares, the Share Scheme Amendments provide for the Performance Shares awarded to Participants during the financial years ending 31 December 2020, 31 December 2021 and 31 December 2022 to be settled in cash for an amount equal to the Offer Consideration by no later than 30 April 2023, and the Massmart Employee Share Plan terms applicable to the remaining Performance Shares shall continue to remain operative until establishment of the new performance based incentive scheme by Walmart. The Performance Shares to vest after 30 April 2023 are therefore unaffected by the Proposed Transaction, until such time that a new performance based incentive scheme is implemented by Walmart.

Procedures

The procedures we performed comprised the following:

1. Consideration of conditions in, and the economic outlook for, the industry in which Massmart operates;
2. Consideration of general market data including economic, governmental and environmental forces that may affect the value of Massmart;
3. Discussions concerning the historical and future operations of Massmart with Management;
4. Discussions with Massmart's management to obtain an explanation and clarification of data provided;
5. Consideration of the operating and financial results of Massmart and its operating banners (including audited financial statements covering five years up to the date of valuation);
6. Analysis of financial and operating projections including revenues, operating margins (e.g., earnings before interest and taxes), working capital investments and capital expenditures based on the historical operating results of Massmart and its operating banners, industry results and expectations and Management representations. Such projections formed the basis for the discounted cash flow analysis;
7. Gathering and analysis of financial data for publicly traded or private companies engaged in the same or similar lines of business to develop appropriate valuation multiples and operating comparisons to apply to Massmart as part of the Market Approach;
8. Analysis of the individual asset and liability balances of Massmart in an application of the Net Assets Approach, which was used for the sum-of-the-parts analysis;
9. Analysis of Massmart's share trading history;
10. Analysis of available analyst reports and views in respect of Massmart;
11. Analysis of the terms and conditions of the Massmart Employee Share Plan and the Share Scheme Amendments;
12. Analysis of the terms and conditions of the Proposed Transaction as contained in the NBIO, the contents of the Original Agreement, the Implementation Agreement and Firm Intention Announcement, and the contents of the draft circular to Massmart shareholders; and
13. Analysis of other facts and data considered pertinent to this valuation to arrive at a conclusion of value.

Assumptions

Our opinion is based on the following key assumptions:

- Current economic, regulatory and market conditions in South Africa will not change materially;
- Massmart is not involved in any other material legal proceedings other than those conducted in the ordinary course of business;
- Massmart has no material outstanding disputes with the South African Revenue Service;
- There are no undisclosed contingencies that could affect the value of Massmart;
- The Proposed Transaction will not give rise to any undisclosed tax liabilities that Massmart will be required to settle;
- For the purposes of this engagement, we assumed Massmart's existing businesses to be ongoing under current business plans and management, except for the discontinued operations which are expected to be sold/closed; and
- Representations made by Management during the course of forming this opinion.

Qualitative considerations

We understand that Walmart has historically provided significant financial support to Massmart. As at 30 June 2022, Massmart holds subordinated term debt owing to Walmart and has issued a perpetual fixed rate unsecured bond to Walmart, totalling approximately R4.0 billion. The potential impact on Massmart if the financial support was not provided or had to be repaid, which could result in Massmart seeking alternative financing to continue normal operations, may have to be considered.

Effects on the rights and interests of securities that are affected

Based on our opinion outlined below, there are no material adverse effects on the rights and interests of the Massmart ordinary shareholders.

Opinion

Our opinion is based on the current economic, market, regulatory and other conditions and the information made available to us by Management up to 21 September 2022. Accordingly, subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Based on the results of our procedures performed, our valuation work and other considerations, we concluded that the Market Value of the ordinary shares of Massmart is between R52.00 and R62.00 per share on a marketable, controlling basis. The most likely value is R57.00 per share, which approximates the midpoint of our value range.

The Offer Consideration of R62.00 per share is within our determined Market Value range of the ordinary shares on a marketable, controlling basis. Therefore, based on the results of our procedures performed, our detailed valuation work and other considerations, we concluded that subject to the foregoing assumptions, we are of the opinion that the Offer Consideration is Fair and Reasonable as far as the ordinary shareholders of Massmart are concerned, excluding Walmart.

In respect of the Share Scheme Amendments, we concluded that the present value of the amount that is to be settled to the Participants in respect of the Restricted Shares of R57.11 per share is within our determined Market Value range in respect of the Restricted Shares of R48.70 to R58.06 per share.

The Performance Shares awarded to Participants during the financial years ending 31 December 2020, 31 December 2021 and 31 December 2022 are to be settled in cash for an amount equal to the Offer Consideration, which is within our determined Market Value range of the ordinary shares of Massmart on a marketable, controlling basis.

In respect of the remaining Performance Shares, the Massmart Employee Share Plan terms applicable to the Performance Shares shall continue to remain operative until establishment of the new performance based incentive scheme by Walmart, and the performance criteria for the Performance Shares vesting in each financial year in terms of the Massmart Employee Share Plan are determined in future at the beginning of the respective financial year. The remaining Performance Shares are therefore unaffected in terms of the Share Scheme Amendments until such time that a new performance based incentive scheme is implemented by Walmart. Therefore at this stage, there is no indication that the Share Scheme Amendments relating to the Performance Shares are unfair to the Participants, as the Massmart Employee Share Plan remains operative and Walmart has undertaken that the new performance based incentive scheme to be put in place will result in participants being treated as least as favourably as the Massmart Employee Share Plan.

Based on the results of our procedures performed, our detailed valuation work and other considerations, we concluded that subject to the foregoing assumptions, we are of the opinion that the Share Scheme Amendments are Fair and Reasonable as far as the Participants are concerned.

In considering our conclusions, the members of the Independent Board of Massmart should take particular notice of the following factors:

- The actual market value achieved in a specific transaction may be higher or lower than our estimate of the Market Value range depending upon the circumstances of the transaction (for example strategic considerations of the instrument holder) and the nature of the business (for example the instrument holders' perception of potential benefits of the Potential Transaction).
- Our Market Value range is based on a standalone valuation of Massmart under current management and business plans compiled in 2021 and 2022 and provided to us by Management in July 2022.
- Our Market Value range is impacted by the amount of leverage in Massmart, due to interest bearing debt being subtracted from the Enterprise Value to determine the Market Value of the ordinary shares of Massmart. The high degree of financial leverage in Massmart results in a wider Market Value per share range than would be the case for a similar entity that has less gearing.

- In terms of the Massmart Employee Share Plan there are no legal rights to early vesting triggered by the Proposed Transaction in respect of the Restricted or Performance Shares.

Independence

We confirm that we meet the competence, experience, and impartiality requirements of section 114(2)(a) of the Companies Act and regulation 90(3) of the Takeover Regulations and we confirm that we meet the independence requirements set out in section 114(2)(b) of the Companies Act.

We confirm that PwC holds no shares in Massmart, directly or indirectly. We have no interest, direct or indirect, beneficial or non-beneficial, in Massmart or in the outcome of the Proposed Transaction. We confirm that neither PwC nor any person related to PwC (as contemplated in the JSE Listings Requirements), have any existing or continuing relationship with Massmart or with any party involved in the Proposed Transaction as contemplated in paragraph 5.12 of Schedule 5 to the JSE Listings Requirements and have not had such relationship within the immediately preceding 18 months.

Furthermore, we confirm that our professional fees for the provision of this independent expert report on the Proposed Transaction amount to an aggregate total fee of R3 000 000 excluding Value Added Tax and is not contingent upon or related to the outcome of the Proposed Transaction.

We also confirm that we have the necessary qualifications and competence to provide the Fair and Reasonable opinion.

Material interests of directors and trustees

In accordance with sections 114(3)(e) and (f) of the Companies Act, we confirm that directors' interests in Massmart are as follows:

Name of director	Direct beneficial interest (ordinary shares held)	Aggregate % of Massmart issued share capital	Indirect beneficial interest (share options/ awards not yet vested)
Executive			
MW Slape	300 000	0.14%	–
M Abdool-Samad	–	–	596 574
Non-executive			
K Dlamini	9 954	0.005%	–
O Ighodaro	21 935	0.01%	–

Included in the indirect beneficial interest for M Abdool-Samad in the table above is 47 479 Restricted Shares that have been granted and shall vest in favour of M Abdool-Samad with effect from 13 September 2022 in accordance with the Massmart Employee Share Plan.

Proposed Transaction has the same effect on the Massmart ordinary shares held by such directors that it has on the Massmart ordinary shares held by other shareholders. The effect that the Proposed Transaction will have on the unvested share options/awards held by such directors is outlined in Section D of the Circular.

Limiting conditions

Budgets/projections/forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to those projected/forecast by Management.

This letter and opinion is provided in terms of Section 114(2) and 114(3) of the Companies Act, regulation 90 of the Takeover Regulations and Section 1.15 (d), Section 10.4 (f) and Schedule 5 of the JSE Listings Requirements. It does not constitute a recommendation to any shareholder of Massmart on any matter relating to the Proposed Transaction, nor as to the acceptance of the Proposed Transaction. Therefore, it should not be relied upon for any other purpose. We assume no responsibility to anyone if this letter and opinion are used or relied upon for anything other than its intended purpose.

The valuation of companies and businesses is not a precise science, and conclusions arrived at in many cases will necessarily be subjective and dependent on the exercise of individual judgement. Further, whilst we consider our opinion to be defensible based on the information available to us, others may have a different view and arrive at a different conclusion.

In accordance with Section 114(3)(g) of the Companies Act, a copy of Sections 115 and 164 of the Companies Act is attached hereto as **Appendix A**.

Consent

We hereby consent to the inclusion of our independent expert's report in any required regulatory announcement or documentation.

Yours sincerely

JM Groenewald

Director

Appendix A

Sections 115 and 164 of the Companies Act, No. 71 of 2008 as amended

115. Required approval for transactions contemplated in Part

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
- (a) the disposal, amalgamation or merger, or scheme of arrangement -
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to -
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,
the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).

[Para. (b) substituted by s. 71 of Act 3/2011]

- (2) A proposed transaction contemplated in subsection (1) must be approved -
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
[Para. (a) substituted by s. 71 of Act 3/2011]
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if -
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
[Subpara. (iii) substituted by s. 71 of Act 3/2011]
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if -

- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

[Para. (a) substituted by s. 71 of Act 3/2011]

- (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

[Para. (b) substituted by s. 71 of Act 3/2011]

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights -
 - (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.

[Subs. (4) substituted by s. 71 of Act 3/2011]

- (4A) In subsection (4), “**act in concert**” has the meaning set out in section 117(1)(b).

[Subs. (4A) inserted by s. 71 of Act 3/2011]

- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either -
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

[Para. (a) substituted by s. 71 of Act 3/2011]

- (b) treat the resolution as a nullity.

- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant -
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).

- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if -

- (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
- (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person -

- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
- (b) was present at the meeting and voted against that special resolution.

- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect -

- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
- (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
- (c) the transfer of shares from one person to another;

- (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
- (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
- (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

164. Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to -
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who -
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither -
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if -
 - (a) the shareholder -
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder -
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within -
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state [Words preceding para. (a) substituted by s. 103 of Act 3/2011]
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless -
- (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- [Para. (c) substituted by s. 103 of Act 3/2011]
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of -
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11) -
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12) -
- (a) the shareholder must either in the case of -
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and -
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has-
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14) -

- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
- (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
- (c) the court -
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may -
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring -
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

[Item (aa) substituted by s. 103 of Act 3/2011]

- (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case -

- (a) that shareholder must comply with the requirements of subsection 13(a); and
- (b) the company must comply with the requirements of subsection 13(b).

[Subs. (15A) inserted by s. 103 of Act 3/2011]

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months -

- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
- (b) the court may make an order that -
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to -

- (a) the provisions of that section; or
- (b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent -

- (a) expressly provided in this section; or
- (b) that the Panel rules otherwise in a particular case,
a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

[Subs. (20) inserted by s. 103 of Act 3/2011]

HISTORICAL FINANCIAL INFORMATION OF MASSMART FOR THE YEARS ENDED 29 DECEMBER 2019, 27 DECEMBER 2020 AND 26 DECEMBER 2021

Condensed consolidated statement of financial position For the year ended 29 December 2019

Rm	December 2019 (Reviewed)	December 2018 (Audited)	IFRS 16 at adoption adjustment*	2019 Opening balance (Adjusted)*	Period % change	Adjusted* % change
ASSETS						
Non-current assets	21,747.2	14,165.8	8,530.0	22,695.8	53.5	(4.2)
Property, plant and equipment	8,585.9	9,109.5	–	9,109.5	(5.7)	(5.7)
Lease assets	8,283.1	537.7	8,530.0	9,067.7	1,440.5	(8.7)
Goodwill and other intangible assets	3,865.5	3,656.3	–	3,656.3	5.7	5.7
Investments and other financial assets	127.0	119.2	–	119.2	6.5	6.5
Deferred taxation	885.7	743.1	–	743.1	19.2	19.2
Current assets	18,431.1	20,605.2	(118.1)	20,487.1	(10.6)	(10.0)
Inventories	11,893.8	12,180.9	–	12,180.9	(2.4)	(2.4)
Trade, other receivables and prepayments	5,020.8	5,693.2	(118.1)	5,575.1	(11.8)	(9.9)
Taxation	224.7	361.3	–	361.3	(37.8)	(37.8)
Cash on hand and bank balances	1,291.8	2,369.8	–	2,369.8	(45.5)	(45.5)
Non-current assets classified as held for sale	159.5	11.6	–	11.6	1,275.0	1,275.0
Total assets	40,337.8	34,782.6	8,411.9	43,194.5	16.0	(6.6)
EQUITY AND LIABILITIES						
Total equity	4,800.8	6,528.6	(227.1)	6,301.5	(26.5)	(23.8)
Equity attributable to owners of the parent	4,785.5	6,514.0	(227.1)	6,286.9	(26.5)	(23.9)
Non-controlling interests	15.3	14.6	–	14.6	4.8	4.8
Non-current liabilities	11,121.2	3,694.5	7,673.9	11,368.4	201.0	(2.2)
Interest-bearing borrowings	2,000.0	1,606.0	–	1,606.0	24.5	24.5
Lease liability	8,950.7	648.1	8,950.2	9,598.3	1,281.1	(6.7)
Deferred taxation	79.7	76.7	–	76.7	3.9	3.9
Other non-current liabilities and provisions	90.8	1,363.7	(1,276.3)	87.4	(93.3)	3.9
Current liabilities	24,415.8	24,559.5	965.1	25,524.6	(0.6)	(4.3)
Trade, other payables and provisions	21,117.0	21,925.1	(145.3)	21,779.8	(3.7)	(3.0)
Taxation	200.4	205.3	–	205.3	(2.4)	(2.4)
Bank overdrafts and debt facilities (note 8)	141.2	1,744.0	–	1,744.0	(91.9)	(91.9)
Interest-bearing borrowings	1,572.8	616.1	–	616.1	155.3	155.3
Lease liability	1,384.4	69.0	1,110.4	1,179.4	1,906.4	17.4
Total equity and liabilities	40,337.8	34,782.6	8,411.9	43,194.5	16.0	(6.6)

*Refer to note 2.

Condensed consolidated statement of comprehensive income

Rm	52 weeks December 2019 (Reviewed)	IFRS 16 adjustment*	52 weeks December 2019 (Adjusted)*	52 weeks December 2018 (Audited)	Period % change	Adjusted* % change
(Loss)/Profit for the period	(1,296.4)	435.4	(861.0)	868.7	(249.2)	(199.1)
Items that will not subsequently be re-classified to the Income Statement:	8.1	–	8.1	13.3	(39.1)	(39.1)
Net post retirement medical aid actuarial profit	8.1	–	8.1	13.4	(39.6)	(39.6)
Fair value movement on OCI financial assets	–	–	–	(0.1)	100.0	100.0
Items that will subsequently be re-classified to the Income Statement:	(76.9)	–	(76.9)	90.6	(184.9)	(184.9)
Foreign currency translation reserve	(91.8)	–	(91.8)	85.6	(207.2)	(207.2)
Cash flow hedges – effective portion of changes in fair value	–	–	–	20.8	(100.0)	(100.0)
Fair value movement on OCI financial assets	(0.3)	–	(0.3)	–	100.0	100.0
Income tax relating to components of other comprehensive income	15.2	–	15.2	(15.8)	196.2	196.2
Total other comprehensive (loss)/profit for the period, net of tax	(68.8)	–	(68.8)	103.9	(166.2)	(166.2)
Total comprehensive (loss)/income for the period	(1,365.2)	435.4	(929.8)	972.6	(240.4)	(195.6)
Total comprehensive (loss)/income attributable to:						
– Owners of the parent	(1,376.3)	434.9	(941.4)	992.5	(238.7)	(194.9)
– Non-controlling interests	11.1	0.5	11.6	(19.9)	155.8	158.3
Total comprehensive (loss)/income for the period	(1,365.2)	435.4	(929.8)	972.6	(240.4)	(195.6)

*Refer to note 2.

Condensed consolidated statement of changes in equity

Rm	Share capital	Share premium	Other reserves	Retained profit	Equity attributable to owners of the parent	Non-controlling interests	Total
Balance as at December 2017 (Audited)	2.2	401.2	452.7	5,478.1	6,334.2	43.2	6,377.4
Dividends declared	–	–	–	(735.6)	(735.6)	(8.4)	(744.0)
Total comprehensive income	–	–	103.9	888.6	992.5	(19.9)	972.6
Changes in non-controlling interests	–	–	–	0.3	0.3	(0.3)	–
IFRS 2 charge and treasury shares acquired	–	(262.1)	173.0	11.7	(77.4)	–	(77.4)
Balance as at December 2018 (Audited)	2.2	139.1	729.6	5,643.1	6,514.0	14.6	6,528.6
Effect of adoption of new accounting standard (IFRS 16)*	–	–	–	(227.1)	(227.1)	–	(227.1)
Balance as at December 2018 (Reviewed) Re-presented	2.2	139.1	729.6	5,416.0	6,286.9	14.6	6,301.5
Issue of share capital	–	–	–	–	–	–	–
Dividends declared	–	174.3	–	(302.6)	(128.3)	(32.6)	(160.9)
Total comprehensive income	–	–	(68.8)	(1,307.5)	(1,376.3)	11.1	(1,365.2)
Changes in non-controlling interests	–	–	0.5	–	0.5	22.2	22.7
IFRS 2 charge and treasury shares acquired	–	(103.6)	102.4	3.9	2.7	–	2.7
Balance as at December 2019 (Reviewed)	2.2	209.8	763.7	3,809.8	4,785.5	15.3	4,800.8

*Refer to note 2.

Condensed consolidated income statement

Rm	52 weeks December 2019 (Reviewed)	IFRS 16 adjustment*	52 weeks December 2019 (Adjusted)*	52 weeks December 2018 (Audited)	Period % change	Adjusted* % change
Revenue	93,843.1	–	93,843.1	91,180.6	2.9	2.9
Sales	93,660.0	–	93,660.0	90,941.6	3.0	3.0
Cost of sales	(75,946.8)	–	(75,946.8)	(73,250.4)	(3.7)	(3.7)
Gross profit	17,713.2	–	17,713.2	17,691.2	0.1	0.1
Other income	179.7	–	179.7	231.0	(22.2)	(22.2)
Depreciation and amortisation	(3,067.1)	1,736.3	(1,330.8)	(1,134.6)	(170.3)	(17.3)
Employment costs	(8,188.0)	–	(8,188.0)	(7,582.9)	(8.0)	(8.0)
Occupancy costs	(1,365.8)	(2,419.2)	(3,785.0)	(3,491.3)	60.9	(8.4)
Other operating costs	(4,160.8)	–	(4,160.8)	(3,644.5)	(14.2)	(14.2)
Trading profit before interest and taxation	1,111.2	(682.9)	428.3	2,068.9	(46.3)	(79.3)
Reorganisation and restructure costs	(33.1)	–	(33.1)	(161.0)	79.4	79.4
Impairment of assets	(229.5)	60.0	(169.5)	(21.4)	(972.4)	(692.1)
Insurance proceeds on items in PP&E	3.4	–	3.4	8.0	(57.5)	(57.5)
Operating profit before foreign exchange movements and interest	852.0	(622.9)	229.1	1,894.5	(55.0)	(87.9)
Foreign exchange loss (note 4)	(143.0)	89.7	(53.3)	(2.7)	(5,196.3)	(1,874.1)
Operating profit before interest	709.0	(533.2)	175.8	1,891.8	(62.5)	(90.7)
– Finance costs	(1,860.4)	1,109.3	(751.1)	(648.8)	(186.7)	(15.8)
– Finance income	61.3	–	61.3	25.1	144.2	144.2
Net finance costs	(1,799.1)	1,109.3	(689.8)	(623.7)	(188.5)	(10.6)
(Loss)/Profit before taxation	(1,090.1)	576.1	(514.0)	1,268.1	(186.0)	(140.5)
Taxation (note 9)	(206.3)	(140.7)	(347.0)	(399.4)	48.3	13.1
(Loss)/Profit for the period	(1,296.4)	435.4	(861.0)	868.7	(249.2)	(199.1)
(Loss)/Profit attributable to:						
– Owners of the parent	(1,307.5)	434.9	(872.6)	888.6	(247.1)	(198.2)
– Non-controlling interests	11.1	0.5	11.6	(19.9)	155.8	158.3
(Loss)/Profit for the period	(1,296.4)	435.4	(861.0)	868.7	(249.2)	(199.1)
Basic EPS (cents)	(600.6)	199.8	(400.8)	410.6	(246.3)	(197.6)
Diluted basic EPS (cents)	(594.9)	197.9	(397.0)	401.9	(248.0)	(198.8)
Dividend (cents):						
– Interim	–	–	–	68.0	(100.0)	(100.0)
– Final	–	–	–	140.0	(100.0)	(100.0)
– Total	–	–	–	208.0	(100.0)	(100.0)

* To provide a more meaningful comparison of the current year's performance, the performance summary has been prepared on a like-on-like basis which excludes the impact of IFRS 16 'Leases' in the current financial year. Refer to note 2 for detail on the impact of the new accounting standard using the modified retrospective approach.

The like-on-like financial effects, for which the Directors of Massmart are responsible, are provided for illustrative purposes only to compare the current financial year's results with the 30 December 2018 Income Statement, allowing for a like-on-like comparison to December 2019. The Group's external auditor has issued a reporting accountants' report on the December 2019 Income Statement. A copy of their procedures report is available at the Group's registered office.

Condensed consolidated statement of cash flows

Rm	December 2019 (Reviewed)	IFRS 16 adjustment*	December 2019 (Adjusted)*	December 2018 (Audited)
Operating cash before working capital movements	4,296.8	(2,385.3)	1,911.5	3,411.3
Working capital movements	(82.0)	(106.8)	(188.8)	(545.8)
Cash generated from operations	4,214.8	(2,492.1)	1,722.7	2,865.5
Taxation paid	(191.1)	–	(191.1)	(324.6)
Net interest paid	(1,714.7)	1,003.0	(711.7)	(482.9)
Dividends received	20.0	–	20.0	34.0
Dividends paid	(162.4)	–	(162.4)	(750.0)
Cash inflow from operating activities	2,166.6	(1,489.1)	677.5	1,342.0
Investment to maintain operations	(580.3)	–	(580.3)	(772.4)
Investment to expand operations	(791.5)	–	(791.5)	(833.6)
Proceeds on disposal of property, plant and equipment	7.9	–	7.9	20.4
Proceeds on disposal of assets classified as held for sale	41.3	–	41.3	32.8
Other net investing activities	11.3	–	11.3	5.9
Cash outflow from investing activities	(1,311.3)	–	(1,311.3)	(1,546.9)
Increase/(Decrease) in non-current liabilities	600.0	–	600.0	(583.7)
(Decrease)/Increase in current liabilities	(2,613.4)	1,489.1	(1,124.3)	1,043.5
Net acquisition of treasury shares	(48.4)	–	(48.4)	(221.1)
Cash (outflow)/inflow from financing activities	(2,061.8)	1,489.1	(572.7)	238.7
Net (decrease)/increase in cash and cash equivalents	(1,206.5)	–	(1,206.5)	33.8
Foreign exchange movements on cash and cash equivalents	(12.7)	–	(12.7)	29.9
Opening cash and cash equivalents	2,369.8	–	2,369.8	2,306.1
Closing cash and cash equivalents	1,150.6	–	1,150.6	2,369.8

* Refer to note 2.

Condensed consolidated statement of financial position
For the year ended 29 December 2020

Rm	December 2020 (Reviewed)	December 2019 (Audited) (Restated)*	Period % change	December 2018 (Audited) (Restated)*
ASSETS				
Non-current assets	21,804.4	21,747.2	0.3	14,165.8
Property, plant and equipment, including investment property	8,206.9	8,585.9	(4.4)	9,109.5
Lease assets	8,590.0	8,283.1	3.7	537.7
Goodwill and other intangible assets	3,272.6	3,865.5	(15.3)	3,656.3
Investments and other financial assets	176.1	127.0	38.7	119.2
Deferred taxation (note 15)	1,558.8	885.7	76.0	743.1
Current assets	18,446.9	16,722.1	10.3	18 796.2
Inventories	11,880.6	11,893.8	(0.1)	12,180.9
Trade, other receivables and prepayments	3,126.3	3,311.8	(5.6)	3,884.2
Taxation	90.8	224.7	(59.6)	361.3
Cash on hand and bank balances	3,349.2	1,291.8	159.3	2,369.8
Non-current and current assets classified as held for sale	488.3	159.5	206.1	11.6
Total assets	40,739.6	38,628.8	5.5	32,973.6
EQUITY AND LIABILITIES				
Total equity	2,951.5	4,800.8	(38.5)	6,528.6
Equity attributable to owners of the parent	2,991.3	4,785.5	(37.5)	6,514.0
Non-controlling interests	(39.8)	15.3	(360.1)	14.6
Non-current liabilities	10,188.4	11,121.2	(8.4)	3,694.5
Interest-bearing borrowings	277.8	2,000.0	(86.1)	1606.0
Lease liability	9,659.9	8,950.7	7.9	648.1
Deferred taxation (note 15)	153.0	79.7	92.0	76.7
Other non-current liabilities and provisions	97.7	90.8	7.6	1,363.7
Current liabilities	27,599.7	22,706.8	21.5	22,750.5
Trade, other payables and provisions	20,252.0	19,408.0	4.3	20,116.1
Taxation	394.1	200.4	96.7	205.3
Bank overdrafts	95.3	141.2	(32.5)	1,744.0
Interest-bearing borrowings and debt facilities (note 14)	5,550.9	1,572.8	252.9	616.1
Lease liability	1,307.4	1,384.4	(5.6)	69.0
Total equity and liabilities	40,739.6	38,628.8	5.5	32,973.6

*Restated due to reclassification of certain rebate receivable balances against trade payables. Refer to note 3.

Condensed consolidated statement of comprehensive income

Rm	52 weeks December 2020 (Reviewed)	52 weeks December 2019 (Audited)	Period % change
Loss for the year	(1,753.4)	(1,296.4)	(35.3)
Items that will not subsequently be re-classified to the Income Statement:	11.9	8.1	46.9
Net post retirement medical aid actuarial profit	11.9	8.1	46.9
Items that will subsequently be re-classified to the Income Statement:	8.9	(76.9)	111.6
Foreign currency translation reserve	(13.6)	(91.8)	85.2
Fair value movement on OCI financial assets	(0.1)	(0.3)	66.7
Income tax relating to components of other comprehensive income	22.6	15.2	48.7
Total other comprehensive profit/(loss) for the year, net of tax	20.8	(68.8)	130.2
Total comprehensive loss for the year	(1,732.6)	(1,365.2)	(26.9)
Total comprehensive loss attributable to:			
– Owners of the parent	(1,716.9)	(1,376.3)	(24.7)
– Non-controlling interests	(15.7)	11.1	(241.4)
Total comprehensive loss for the year	(1,732.6)	(1,365.2)	(26.9)

Condensed consolidated statement of changes in equity

Rm	Share capital	Share premium	Other reserves	Retained profit	Equity attributable to owners of the parent	Non-controlling interests	Total
Balance as at December 2018 (Audited)	2.2	139.1	729.6	5,416.0*	6,286.9*	14.6	6,301.5*
Dividends declared	–	174.3	–	(302.6)	(128.3)	(32.6)	(160.9)
Total comprehensive income	–	–	(68.8)	(1,307.5)	(1,376.3)	11.1	(1,365.2)
Changes in non-controlling interests	–	–	0.5	–	0.5	22.2	22.7
IFRS 2 charge and treasury shares acquired	–	(103.6)	102.4	3.9	2.7	–	2.7
Balance as at December 2019 (Audited)	2.2	209.8	763.7	3,809.8	4,785.5	15.3	4,800.8
Dividends declared	–	–	–	–	–	(39.9)	(39.9)
Total comprehensive income	–	–	20.8	(1,737.7)	(1,716.9)	(15.7)	(1,732.6)
Changes in non-controlling interests	–	–	–	–	–	0.5	0.5
IFRS 2 charge and treasury shares acquired	–	(86.9)	6.9	2.7	(77.3)	–	(77.3)
Balance as at December 2020 (Reviewed)	2.2	122.9	791.4	2,074.8	2,991.3	(39.8)	2,951.5

*Balances re-presented by R227.1 million after taking into account the effect of the adoption of the IFRS 16 accounting standard.

Condensed consolidated income statement

Rm	52 weeks December 2020 (Reviewed)	52 weeks December 2019 (Audited)	Period % change
Revenue	86,764.0	93,843.1	(7.5)
Sales	86,485.5	93,660.0	(7.7)
Cost of sales	(68,857.4)	(75,946.8)	9.3
Gross profit	17,628.1	17,713.2	(0.5)
Other income	277.1	179.7	54.2
Depreciation and amortisation	(3,030.9)	(3,067.1)	1.2
Employment costs	(8,110.8)	(8,188.0)	0.9
Occupancy costs	(1,233.0)	(1,365.8)	9.7
Other operating costs	(4,357.8)	(4,160.8)	(4.7)
Trading profit before interest and taxation	1,172.7	1,111.2	5.5
Reorganisation and restructure cost	(132.5)	(33.1)	(300.3)
Impairment of assets	(798.7)	(229.5)	(248.0)
Insurance proceeds on items in PP&E	1.4	3.4	(58.8)
Operating profit before foreign exchange movements and interest	242.9	852.0	(71.5)
Foreign exchange loss (note 5)	(381.1)	(143.0)	(166.5)
Operating (loss)/profit before interest	(138.2)	709.0	(119.5)
- Finance costs	(1,779.8)	(1,860.4)	4.3
- Finance income	41.8	61.3	(31.8)
Net finance costs	(1,738.0)	(1,799.1)	3.4
Loss before taxation	(1,876.2)	(1,090.1)	(72.1)
Taxation (note 15)	122.8	(206.3)	159.5
Loss for the period	(1,753.4)	(1,296.4)	(35.3)
Loss attributable to:			
- Owners of the parent	(1,737.7)	(1,307.5)	(32.9)
- Non-controlling interests	(15.7)	11.1	(241.4)
Loss for the period	(1,753.4)	(1,296.4)	(35.3)
Basic loss per share (cents)	(802.3)	(600.6)	(33.6)
Diluted basic loss per share (cents)	(802.3)	(594.9)	(34.9)
Dividend (cents):			
- Interim	-	-	-
- Final	-	-	-
- Total	-	-	-

Condensed consolidated statement of cash flows

Rm	December 2020 (Reviewed)	December 2019 (Audited)
Operating cash before working capital movements	4,559.5	4,296.8
Working capital movements	(187.9)	(82.0)
Cash generated from operations	4,371.6	4,214.8
Taxation paid	(105.9)	(191.1)
Net interest paid	(1,707.0)	(1,714.7)
Dividends received	–	20.0
Dividends paid	(39.9)	(162.4)
Cash inflow from operating activities	2,518.8	2,166.6
Investment to maintain operations	(269.9)	(580.3)
Investment to expand operations	(764.2)	(791.5)
Investment in subsidiaries	(0.2)	–
Proceeds on disposal of property, plant and equipment	19.4	7.9
Proceeds on disposal of assets classified as held for sale	–	41.3
Proceeds on disposal of intangible assets	2.0	–
Other net investing activities	7.5	11.3
Cash outflow from investing activities	(1,005.4)	(1,311.3)
Interest-bearing borrowings and debt facilities raised	7,544.2	600.0
Interest-bearing borrowings and debt facilities repaid	(5,288.3)	(1,062.2)
Lease liabilities repaid	(1,537.9)	(1,551.2)
Cash inflow arising from other non-current liabilities	26.3	–
Net acquisition of treasury shares	(66.2)	(48.4)
Cash inflow/(outflow) from financing activities	678.1	(2,061.8)
Net increase/(decrease) in cash and cash equivalents	2,191.5	(1,206.5)
Foreign exchange movements on cash and cash equivalents	(88.2)	(12.7)
Opening cash and cash equivalents	1,150.6	2,369.8
Closing cash and cash equivalents	3,253.9	1,150.6

FOR THE YEAR ENDED 26 DECEMBER 2021

Condensed consolidated statement of financial position

Rm	52 weeks December 2021 (Reviewed)	52 weeks December 2020 (Audited)	Period % change
ASSETS			
Non-current assets	21,014.7	21,804.4	(3.6)
Property, plant and equipment, including investment property	7,856.3	8,206.9	(4.3)
Lease assets	8,034.1	8,590.0	(6.5)
Goodwill and other intangible assets	2,632.2	3,272.6	(19.6)
Investments and other financial assets	220.7	176.1	25.3
Deferred taxation	2,271.4	1,558.8	45.7
Current assets	16,914.2	18,446.9	(8.3)
Inventories	11,925.9	11,880.6	0.4
Trade, other receivables and prepayments	3,952.5	3,126.3	26.4
Taxation	101.0	90.8	11.2
Cash on hand and bank balances	934.8	3,349.2	(72.1)
Non-current assets classified as held for sale	2,215.8	488.3	353.8
Total assets	40,144.7	40,739.6	(1.5)
EQUITY AND LIABILITIES			
Total equity	2,545.2	2,951.5	(13.8)
Equity attributable to owners of the parent	479.8	2,991.3	(84.0)
Equity attributable to perpetual bondholder	2,009.5	–	100.0
Non-controlling interests (note 16)	55.9	(39.8)	240.5
Non-current liabilities	11,630.6	10,188.4	14.2
Interest-bearing borrowings	2,000.0	277.8	619.9
Lease liability	9,234.1	9,659.9	(4.4)
Deferred taxation	158.3	153.0	3.5
Other non-current liabilities and provisions	238.2	97.7	143.8
Current liabilities	25,222.3	27,599.7	(8.6)
Trade, other payables and provisions	19,164.4	20,252.0	(5.4)
Taxation	46.3	394.1	(88.3)
Bank overdrafts and debt facilities (note 14)	245.5	95.3	157.6
Interest-bearing borrowings	4,467.4	5,550.9	(19.5)
Lease liability	1,298.7	1,307.4	(0.7)
Non-current liabilities directly associated with assets held for sale	746.6	–	100.0
Total equity and liabilities	40,144.7	40,739.6	(1.5)

The Statement of Financial Position has not been restated in terms of IFRS 5. IFRS 5 requires the discontinued operations of the Cambridge, Rhino and Massfresh businesses to be restated only in the Income Statement. Refer to note 3.

Condensed consolidated statement of comprehensive income

Rm	52 weeks December 2021 (Reviewed)	52 weeks December 2020 (Restated)*	Period % change
Loss for the year	(2,203.9)	(1,753.4)	(25.7)
Items that will not subsequently be re-classified to the Income Statement:	(3.1)	11.9	(126.1)
Post retirement medical aid actuarial profit, net of tax	(3.1)	11.9	(126.1)
Items that will subsequently be re-classified to the Income Statement:	93.9	8.9	955.1
Foreign currency translation reserve, net of tax	82.0	9.0	811.1
Fair value movement on OCI financial assets, net of tax	11.9	(0.1)	12,000.0
Total other comprehensive income for the year, net of tax	90.8	20.8	336.5
Total comprehensive loss for the year	(2,113.1)	(1,732.6)	(22.0)
Total comprehensive (loss)/income attributable to:			
– Owners of the parent	(2,135.1)	(1,716.9)	(24.4)
Continuing operations	(1,512.1)	(1,012.8)	(49.3)
Discontinued operations	(623.0)	(704.1)	11.5
– Perpetual bondholder	9.5	–	100.0
Continuing operations	9.5	–	100.0
Discontinued operations	–	–	–
– Non-controlling interests	12.5	(15.7)	179.6
Continuing operations	15.7	5.7	175.4
Discontinued operations	(3.2)	(21.4)	85.0
Total comprehensive loss for the year	(2,113.1)	(1,732.6)	(22.0)

* The comparative numbers have been restated in terms of IFRS 5 due to the discontinued operation classification of the Cambridge, Rhino and Massfresh businesses. Refer to note 3.

Condensed consolidated statement of changes in equity

Rm	Share capital	Share premium	Other reserves	Retained profit	Equity attributable to owners of the parent	Equity attributable to perpetual bondholder	Non-controlling interests	Total
Balance as at December 2019 (Audited)	2.2	209.8	763.7	3,809.8	4,785.5	–	15.3	4,800.8
Dividends declared	–	–	–	–	–	–	(39.9)	(39.9)
Total comprehensive income/(loss)	–	–	20.8	(1,737.7)	(1,716.9)	–	(15.7)	(1,732.6)
Changes in non-controlling interests	–	–	–	–	–	–	0.5	0.5
IFRS 2 charge and treasury shares acquired	–	(86.9)	6.9	2.7	(77.3)	–	–	(77.3)
Balance as at December 2020 (Audited)	2.2	122.9	791.4	2,074.8	2,991.3	–	(39.8)	2,951.5
Dividends declared	–	–	–	–	–	–	(15.0)	(15.0)
Total comprehensive income/(loss)	–	–	90.8	(2,225.9)	(2,135.1)	9.5	12.5	(2,113.1)
Issue of perpetual bond*	–	–	–	–	–	2,000.0	–	2,000.0
Changes in non-controlling interests (note 16)	–	–	(366.6)	–	(366.6)	–	98.2	(268.4)
IFRS 2 charge and treasury shares acquired	–	(36.0)	28.4	(2.2)	(9.8)	–	–	(9.8)
Balance as at December 2021 (Reviewed)	2.2	86.9	544.0	(153.3)	479.8	2,009.5	55.9	2,545.2

* On 2 December 2021 a R2 billion perpetual fixed rate unsecured bond was issued to Main Street 830 Proprietary Limited, a subsidiary of Walmart, by Massmart Holdings Limited. The salient features of the bond are:

- The principal amount is R2 billion with a perpetual tenure
- Massmart Holdings Limited may, at its sole discretion, repay the Capital Loan (in whole or in part), on the First Optional Repayment Date (2 September 2022) or any Interest Payment Day (set to occur on 2 June and 2 December of each year) thereafter
- The initial interest rate is 7.25% with an interest step-up on 31 December 2023 of 225bps
- Interest may be deferred at the sole discretion of Massmart Holdings Limited
- Massmart Holdings Limited shall not declare, nor pay, any distribution or dividend, nor make any other payment on its ordinary share capital (except if required by law or in respect of the share scheme) as long as the deferred interest remains outstanding
- There are no events of default or cross default.

In terms of the requirements of IFRS, the perpetual bond is classified as an equity instrument because Massmart Holdings Limited has no contractual obligation to deliver cash or any other financial asset(s) in any circumstances outside its control.

Condensed consolidated income statement

Rm	52 weeks December 2021 (Reviewed)	52 weeks December 2020 (Restated)*	Period % change
Revenue	77,715.3	77,808.7	(0.1)
Sales	77,621.6	77,568.5	0.1
Cost of sales	(62,168.0)	(61,644.8)	(0.8)
Cost of sales relating to civil unrest	(970.9)	–	(100.0)
Gross profit	14,482.7	15,923.7	(9.0)
Other income	245.2	239.2	2.5
Other income relating to civil unrest	667.3	–	100.0
Depreciation and amortisation	(2,569.4)	(2,717.6)	5.5
Employment costs	(7,258.3)	(7,217.0)	(0.6)
Occupancy costs	(1,024.5)	(1,028.9)	0.4
Other operating costs	(3,712.4)	(3,586.4)	(3.5)
Trading profit before interest and taxation	830.6	1,613.0	(48.5)
Retrenchment and business transformation costs	(80.7)	(107.8)	25.1
Impairment of assets	(749.6)	(173.0)	(333.3)
Impairment of assets relating to civil unrest	(210.7)	–	(100.0)
Insurance proceeds on items in PP&E	2.9	1.0	190.0
Insurance proceeds on items in PP&E relating to civil unrest	118.4	–	100.0
Operating (loss)/profit before foreign exchange movements and interest	(89.1)	1,333.2	(106.7)
Foreign exchange loss (note 7)	(178.5)	(381.1)	53.2
Operating (loss)/profit before interest	(267.6)	952.1	(128.1)
– Finance costs	(1,704.0)	(1,690.5)	(0.8)
– Finance income	8.6	41.1	(79.1)
Net finance costs	(1,695.4)	(1,649.4)	(2.8)
Loss before taxation	(1,963.0)	(697.3)	(181.5)
Taxation (note 15)	385.3	(330.6)	216.5
Loss for the year from continuing operations	(1,577.7)	(1,027.9)	(53.5)
Discontinued operations			
Loss for the year from discontinued operations	(626.2)	(725.5)	13.7
Loss for the year	(2,203.9)	(1,753.4)	(25.7)
Loss attributable to:			
– Owners of the parent	(2,225.9)	(1,737.7)	(28.1)
Continuing operations	(1,602.9)	(1,033.6)	(55.1)
Discontinued operations	(623.0)	(704.1)	11.5
– Perpetual bondholder	9.5	–	100.0
Continuing operations	9.5	–	100.0
Discontinued operations	–	–	–
– Non-controlling interests	12.5	(15.7)	179.6
Continuing operations	15.7	5.7	175.4
Discontinued operations	(3.2)	(21.4)	85.0
Loss for the year	(2,203.9)	(1,753.4)	(25.7)
Basic EPS (cents)	(1,029.9)	(802.3)	(28.4)
Continuing operations	(741.6)	(477.2)	(55.4)
Discontinued operations	(288.3)	(325.1)	11.3
Diluted basic EPS (cents)	(1,029.9)	(802.3)	(28.4)
Continuing operations	(741.6)	(477.2)	(55.4)
Discontinued operations	(288.3)	(325.1)	11.3
Dividend (cents):			
– Interim	–	–	–
– Final	–	–	–
– Total	–	–	–

Condensed consolidated statement of cash flows

Rm	December 2021 (Reviewed)	December 2020 (Audited)
Operating cash before working capital movements	1,822.0	4,559.5
Working capital movements	(1,304.9)	(187.9)
Cash generated from operations	517.1	4,371.6
Taxation paid	(425.3)	(105.9)
Net interest paid	(1,875.1)	(1,707.0)
Dividends received	45.0	–
Dividends paid	(15.0)	(39.9)
Cash (outflow)/inflow from operating activities	(1,753.3)	2,518.8
Investment to maintain operations	(247.5)	(269.9)
Investment to expand operations	(902.5)	(764.2)
Investment in subsidiaries	(228.0)	(0.2)
Proceeds on disposal of property, plant and equipment	10.3	19.4
Proceeds on disposal of assets classified as held for sale	107.2	–
Proceeds on disposal of intangible assets	7.3	2.0
Insurance proceeds on property, plant and equipment	56.4	–
Other investing activities	–	7.5
Cash outflow from investing activities	(1,196.8)	(1,005.4)
Issue of perpetual bond	2,000.0	–
Interest-bearing borrowings and debt facilities raised	2,340.0	7,544.2
Interest-bearing borrowings and debt facilities repaid	(2,308.0)	(5,288.3)
Lease liabilities repaid	(1,388.9)	(1,537.9)
Non-controlling interests acquired (note 16)	(310.3)	–
Acquisition of treasury shares	–	(66.2)
Cash inflow arising from other non-current liabilities	–	26.3
Cash inflow from financing activities	332.8	678.1
Net (decrease)/increase in cash and cash equivalents	(2,617.3)	2,191.5
Foreign exchange movements on cash and cash equivalents	52.7	(88.2)
Opening cash and cash equivalents	3,253.9	1,150.6
Closing cash and cash equivalents	689.3	3,253.9

MASSMART INTERIM RESULTS FOR THE SIX MONTHS ENDED 26 JUNE 2022 (UNAUDITED)

Condensed consolidated statement of financial position

Rm	June 2022 (Reviewed)	June 2021 (Reviewed)	Period % change	December 2021 (Audited)
ASSETS				
Non-current assets	20,536.5	19,777.1	3.8	21,014.7
Property, plant and equipment, including investment property	7,922.8	7,341.3	7.9	7,856.3
Lease assets	7,334.2	8,041.7	(8.8)	8,034.1
Goodwill and other intangible assets	2,566.5	2,369.9	8.3	2,632.2
Investments and other financial assets	240.9	221.1	9.0	220.7
Deferred taxation	2,472.1	1,803.1	37.1	2,271.4
Current assets	17,445.9	15,141.4	15.2	16,914.2
Inventories	12,559.1	11,349.7	10.7	11,925.9
Trade, other receivables and prepayments	3,911.7	2,925.8	33.7	3,952.5
Taxation	112.3	80.3	39.9	101.0
Cash on hand and bank balances	862.8	785.6	9.8	934.8
Non-current assets classified as held for sale	1,914.9	2,596.0	(26.2)	2,215.8
Total assets	39,897.3	37,514.5	6.4	40,144.7
EQUITY AND LIABILITIES				
Total equity	1,374.7	1,806.1	(23.9)	2,545.2
Equity attributable to owners of the parent	(691.5)	1,731.9	(139.9)	479.8
Equity attributable to perpetual bondholder	2,009.9	–	100.0	2,009.5
Non-controlling interests	56.3	74.2	(24.1)	55.9
Non-current liabilities	10,635.7	11,688.4	(9.0)	11,630.6
Interest-bearing borrowings	1,400.0	2,268.7	(38.3)	2,000.0
Lease liabilities	8,646.9	9,129.7	(5.3)	9,234.1
Deferred taxation	248.8	193.0	28.9	158.3
Other non-current liabilities and provisions	340.0	97.0	250.5	238.2
Current liabilities	27,158.9	22,256.1	22.0	25,222.3
Trade, other payables and provisions	15,628.7	13,660.7	14.4	19,164.4
Taxation	70.4	113.0	(37.7)	46.3
Bank overdrafts and debt facilities (note 11)	252.8	222.4	13.7	245.5
Interest-bearing borrowings	9,881.1	7,025.5	40.6	4,467.4
Lease liabilities	1,325.9	1,234.5	7.4	1,298.7
Non-current liabilities directly associated with assets held for sale	728.0	1,763.9	(58.7)	746.6
Total equity and liabilities	39,897.3	37,514.5	6.4	40,144.7

Condensed consolidated statement of comprehensive income

Rm	26 weeks June 2022 (Reviewed)	26 weeks June 2021 (Reviewed)	Period % change	52 weeks December 2021 (Audited)
Loss for the period	(1,029.2)	(1,072.5)	4.0	(2,203.9)
Items that will not subsequently be re-classified to the Income Statement:	–	–	–	(3.1)
Post retirement medical aid actuarial profit, net of tax	–	–	–	(3.1)
Items that will subsequently be re-classified to the Income Statement:	(50.2)	13.7	(466.4)	93.9
Foreign currency translation reserve, net of tax	(50.2)	13.6	(469.1)	82.0
Fair value movement on OCI financial assets, net of tax	–	0.1	(100.0)	11.9
Total other comprehensive (loss)/ income for the period, net of tax	(50.2)	13.7	(466.4)	90.8
Total comprehensive loss for the period	(1,079.4)	(1,058.8)	(1.9)	(2,113.1)
Total comprehensive loss attributable to:				
– Owners of the parent	(1,152.1)	(1,072.1)	(7.5)	(2,135.1)
Continuing operations	(969.9)	(776.9)	(24.8)	(1,512.1)
Discontinued operations	(182.2)	(295.2)	38.3	(623.0)
– Perpetual bondholder	72.3	–	100.0	9.5
Continuing operations	72.3	–	100.0	9.5
Discontinued operations	–	–	–	–
– Non-controlling interests	0.4	13.3	(97.0)	12.5
Continuing operations	0.4	16.5	(97.6)	15.7
Discontinued operations	–	(3.2)	100.0	(3.2)
Total comprehensive loss for the period	(1,079.4)	(1,058.8)	(1.9)	(2,113.1)

Condensed consolidated statement of changes in equity

Rm	Share capital	Share premium	Other reserves	Retained profit	Equity attributable to owners of the parent	Equity attributable to perpetual bondholder	Non-controlling interests	Total
Balance as at December 2020 (Audited)	2.2	122.9	791.4	2,074.8	2,991.3	–	(39.8)	2,951.5
Dividends declared	–	–	–	–	–	–	(15.0)	(15.0)
Total comprehensive loss	–	–	90.8	(2,225.9)	(2,135.1)	9.5	12.5	(2,113.1)
Issue of perpetual bond*	–	–	–	–	–	2,000.0	–	2,000.0
Changes in non-controlling interests	–	–	(366.6)	–	(366.6)	–	98.2	(268.4)
IFRS 2 charge and treasury shares acquired	–	(36.0)	28.4	(2.2)	(9.8)	–	–	(9.8)
Balance as at December 2021 (Audited)	2.2	86.9	544.0	(153.3)	479.8	2,009.5	55.9	2,545.2
Total comprehensive loss	–	–	(50.2)	(1,101.9)	(1,152.1)	72.3	0.4	(1,079.4)
Payment of perpetual bond interest*	–	–	–	–	–	(71.9)	–	(71.9)
IFRS 2 charge and treasury shares acquired	–	(20.4)	0.7	0.5	(19.2)	–	–	(19.2)
Balance as at June 2022 (Reviewed)	2.2	66.5	494.5	(1,254.7)	(691.5)	2,009.9	56.3	1,374.7
Balance as at December 2020 (Audited)	2.2	122.9	791.4	2,074.8	2,991.3	–	(39.8)	2,951.5
Dividends declared	–	–	–	–	–	–	(7.5)	(7.5)
Total comprehensive loss	–	–	13.7	(1,085.8)	(1,072.1)	–	13.3	(1,058.8)
Changes in non-controlling interests	–	–	(194.3)	–	(194.3)	–	108.2	(86.1)
IFRS 2 charge and treasury shares acquired	–	(15.1)	22.9	(0.8)	7.0	–	–	7.0
Balance as at June 2021 (Reviewed)	2.2	107.8	633.7	988.2	1,731.9	–	74.2	1,806.1

* On 2 December 2021 a R2 billion perpetual fixed rate unsecured bond was issued to Main Street 830 Proprietary Limited, a subsidiary of Walmart, by Massmart Holdings Limited. The salient features of the bond are:

- The principal amount is R2 billion with a perpetual tenor
- Massmart Holdings Limited may, at its sole discretion, repay the Capital Loan (in whole or in part), on the First Optional Repayment Date (2 September 2022) or any Interest Payment Day (set to occur on 2 June and 2 December of each year) thereafter
- The initial interest rate is 7.25% with an interest step-up on 31 December 2023 of 225bps
- Interest may be deferred at the sole discretion of Massmart Holdings Limited. During the interim reporting period the Group elected to make an interest payment of R71.9 million
- Massmart Holdings Limited shall not declare, nor pay, any distribution or dividend, nor make any other payment on its ordinary share capital (except if required by law or in respect of the share scheme) as long as the deferred interest remains outstanding
- There are no events of default or cross default.

In terms of the requirements of IFRS, the perpetual bond is classified as an equity instrument as Massmart Holdings Limited has no contractual obligation to deliver cash or another financial asset in any circumstances outside its control. Refer to note 10.

Condensed consolidated income statement

Rm	26 weeks June 2022 (Reviewed)	26 weeks June 2021 (Reviewed)	Period % change	52 weeks December 2021 (Audited)
Revenue	38,178.7	37,585.5	1.6	77,715.3
Sales	38,141.0	37,445.0	1.9	77,621.6
Cost of sales	(30,650.1)	(29,736.7)	(3.1)	(63,138.9)
Gross profit	7,490.9	7,708.3	(2.8)	14,482.7
Other income	110.0	140.5	(21.7)	245.2
Other income relating to civil unrest	146.5	–	100.0	667.3
Depreciation and amortisation	(1,226.9)	(1,314.8)	6.7	(2,569.4)
Employment costs	(3,681.8)	(3,585.2)	(2.7)	(7,258.3)
Occupancy costs	(499.1)	(511.2)	2.4	(1,024.5)
Other operating costs	(1,962.3)	(1,645.5)	(19.3)	(3,712.4)
Trading profit before interest and taxation	377.3	792.1	(52.4)	830.6
Retrenchment and business transformation costs	(205.9)	(73.4)	(180.5)	(80.7)
Impairment of assets	(7.3)	(593.1)	98.8	(960.3)
Insurance proceeds on items in PP&E	–	–	–	121.3
Operating profit/(loss) before foreign exchange movements and interest	164.1	125.6	30.7	(89.1)
Foreign exchange loss (note 5)	(110.1)	(87.9)	(25.3)	(178.5)
Operating profit/(loss) before interest	54.0	37.7	43.2	(267.6)
– Finance costs	(934.7)	(831.3)	(12.4)	(1,704.0)
– Finance income	4.3	5.1	(15.7)	8.6
Net finance costs	(930.4)	(826.2)	(12.6)	(1,695.4)
Loss before taxation	(876.4)	(788.5)	(11.1)	(1,963.0)
Taxation (note 13)	29.4	14.4	104.2	385.3
Loss for the period from continuing operations	(847.0)	(774.1)	(9.4)	(1,577.7)
Discontinued operations				
Loss for the period from discontinued operations	(182.2)	(298.4)	38.9	(626.2)
Loss for the period	(1,029.2)	(1,072.5)	4.0	(2,203.9)
Loss attributable to:				
– Owners of the parent	(1,101.9)	(1,085.8)	(1.5)	(2,225.9)
Continuing operations	(919.7)	(790.6)	(16.3)	(1,602.9)
Discontinued operations	(182.2)	(295.2)	38.3	(623.0)
– Perpetual bondholder	72.3	–	100.0	9.5
Continuing operations	72.3	–	100.0	9.5
Discontinued operations	–	–	–	–
– Non-controlling interests	0.4	13.3	(97.0)	12.5
Continuing operations	0.4	16.5	(97.6)	15.7
Discontinued operations	–	(3.2)	100.0	(3.2)
Loss for the period	(1,029.2)	(1,072.5)	4.0	(2,203.9)
Basic EPS (cents)	(509.0)	(502.6)	(1.3)	(1,029.9)
Continuing operations	(424.8)	(366.0)	(16.1)	(741.6)
Discontinued operations	(84.2)	(136.6)	38.4	(288.3)
Diluted basic EPS (cents)	(509.0)	(502.6)	(1.3)	(1,029.9)
Continuing operations	(424.8)	(366.0)	(16.1)	(741.6)
Discontinued operations	(84.2)	(136.6)	38.4	(288.3)
Dividend (cents):				
– Interim	–	–	–	–
– Final	–	–	–	–
– Total	–	–	–	–

Condensed consolidated statement of cash flows

Rm	June 2022 (Reviewed)	June 2021 (Reviewed)	December 2021 (Audited)
Operating cash before working capital movements	941.4	943.3	1,822.0
Working capital movements	(3,639.2)	(4,076.6)	(1,304.9)
Cash (utilised by)/generated from operations	(2,697.8)	(3,133.3)	517.1
Taxation paid	(46.3)	(373.4)	(425.3)
Interest received	4.5	5.3	9.1
Interest paid	(880.4)	(852.9)	(1,884.2)
Dividends received	–	–	45.0
Dividends paid	–	(7.5)	(15.0)
Cash outflow from operating activities	(3,620.0)	(4,361.8)	(1,753.3)
Investment to maintain operations	(251.9)	(326.4)	(247.5)
Investment to expand operations	(159.3)	(226.2)	(902.5)
Investment in subsidiaries	–	–	(228.0)
Proceeds on disposal of property, plant and equipment	6.7	32.4	10.3
Proceeds on disposal of assets classified as held for sale	6.4	86.9	107.2
Proceeds on disposal of intangible assets	0.1	4.6	7.3
Insurance proceeds on property, plant and equipment	73.3	–	56.4
Cash outflow from investing activities	(324.7)	(428.7)	(1,196.8)
Issue of perpetual bond	–	–	2,000.0
Perpetual bond interest repayment	(71.9)	–	–
Interest-bearing borrowings and debt facilities raised	4,780.2	3,590.0	2,340.0
Interest-bearing borrowings and debt facilities repaid	(111.9)	(582.4)	(2,308.0)
Lease liabilities repaid	(734.5)	(772.4)	(1,388.9)
Non-controlling interests acquired	–	(87.9)	(310.3)
Cash inflow from financing activities	3,861.9	2,147.3	332.8
Net decrease in cash and cash equivalents	(82.8)	(2,643.2)	(2,617.3)
Foreign exchange movements on cash and cash equivalents	3.5	(7.9)	52.7
Cash and cash equivalents classified as held for sale	–	(39.6)	–
Opening cash and cash equivalents	689.3	3,253.9	3,253.9
Closing cash and cash equivalents	610.0	563.2	689.3

TRADING HISTORY OF MASSMART SHARES

The definitions and interpretations commencing on page 20 of this Circular apply, *mutatis mutandis*, to this Annexure (unless the context indicates otherwise).

Set out below is a table showing the highest, lowest and closing prices and aggregate volumes traded in the Massmart Shares on the JSE for each day over the 30 trading days preceding the Last Practicable Date:

Date	High	Low	Volume
09/01/2022	6,073,000	5,905,000	4,495,575,00
09/14/2022	6,860,000	6,860,000	100,00
09/07/2022	6,875,000	6,790,000	5,803,00
09/02/2022	7,220,000	7,220,000	100,00
08/31/2022	5,899,000	5,805,000	1,571,359,00
08/30/2022	5,990,000	5,830,000	1,718,710,00
08/29/2022	5,890,000	5,720,000	4,030,255,00
08/26/2022	4,081,000	3,895,000	49,491,00
08/25/2022	4,220,000	3,918,000	91,517,00
08/24/2022	4,187,000	4,025,000	182,352,00
08/23/2022	4,351,000	4,066,000	162,823,00
08/22/2022	4,313,000	3,947,000	170,615,00
08/19/2022	4,115,000	4,037,000	435,038,00
08/18/2022	4,137,000	3,990,000	90,515,00
08/17/2022	4,097,000	3,863,000	169,588,00
08/16/2022	4,138,000	4,015,000	244,988,00

Set out below is a table showing the highest, lowest and closing prices and aggregated monthly volumes traded in the Massmart Shares on the JSE for the previous 12 months:

Date	High	Low	Volume
08/31/2022	5,899,000	5,805,000	1,571,359,00
07/29/2022	3,826,000	3,672,000	58,299,00
06/30/2022	3,637,000	3,450,000	122,520,00
05/31/2022	3,821,000	3,651,000	800,478,00
04/29/2022	4,376,000	4,162,000	496,767,00
03/31/2022	4,619,000	4,508,000	282,713,00
02/28/2022	5,491,000	5,201,000	186,607,00
01/31/2022	5,800,000	5,527,000	156,657,00
12/31/2021	6,247,000	5,990,000	15,214,00
11/30/2021	6,150,000	5,887,000	400,292,00
10/29/2021	6,278,000	6,152,000	145,173,00
09/30/2021	6,316,000	6,194,000	246,277,00
08/31/2021	5,939,000	5,429,000	508,906,00

EXCHANGE CONTROL REGULATIONS

The definitions and interpretations commencing on page 20 of this Circular apply, *mutatis mutandis*, to this Annexure (unless the context indicates otherwise).

1. FOREIGN SHAREHOLDERS

- 1.1 The Scheme and Standby General Offer may be affected by the laws of the relevant jurisdiction of a Foreign Shareholder. A Foreign Shareholder should acquaint itself about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each Foreign Shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme and Standby General Offer, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.
- 1.2 The Scheme and the Standby General Offer are governed by the laws of South Africa and are subject to any Applicable Laws and regulations, including the Exchange Control Regulations.
- 1.3 Any Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

2. EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which may apply to Massmart Shareholders in relation to the Scheme Consideration or the Standby General Offer Consideration. Massmart Shareholders who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

The Exchange Control Regulations provide for restrictions on the exportation of capital from the Common Monetary Area. The Common Monetary Area consists of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini. Transactions between residents of South Africa and residents outside of the Common Monetary Area are subject to Exchange Control Regulations, which are administered by the Financial Surveillance Department of the South African Reserve Bank (“**SARB**”).

Certain powers have been delegated to authorised dealers in foreign exchange appointed by the SARB (“**Authorised Dealers**”). The delegated powers of Authorised Dealers are contained in the Currency and Exchanges Manual for Authorised Dealers (“**AD Manual**”) and transactions that may be approved by Authorised Dealers without the SARB’s prior approval are contained in the AD Manual, which is updated from time to time through the release of circulars by the SARB.

The concept of “emigration” as recognised by the SARB is being phased out and commenced with effect from 1 March 2021 and is replaced by a verification process. Exchange Control Circular 6/2021 dated 26 February 2021 and Circular 8/2021 dated 21 May 2021 set out the changes in relation to emigrants and changes to the AD Manual with effect from 1 March 2021.

Until 28 February 2021, the Exchange Control Regulations read with the AD Manual distinguished between residents, non-residents and emigrants. As of 1 March 2021, under the new framework, natural person residents and natural person emigrants are treated identically. To ensure a smooth transition from the old framework to the new framework, natural persons who have applied to be emigrants under the old framework, by obtaining a MP336(b) form that was attested by an Authorised Dealer on or before 28 February 2021, are dealt with in terms of the exchange control procedures relating to emigration for exchange control purposes prior to 1 March 2021 provided their emigration applications were approved on or before 28 February 2021.

For the purposes of the Exchange Control Regulations:

- a resident means any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa;
- a non-resident is a person, being a natural person or a legal entity, whose normal place of residence, domicile or registration is outside the Common Monetary Area; and
- an emigrant means a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in any country outside of the Common Monetary Area. For purposes of the Exchange Control Regulations read with the AD Manual, a South African resident will only be regarded as an emigrant if he placed his emigration on record with the SARB under the exchange control policy which applied up to 28 February 2021.

Massmart Shareholders who are uncertain as to whether they are residents or non-residents or South African non-tax residents (emigrants), for purposes of the Exchange Control Regulations read with the AD Manual, are advised to approach their relevant Authorised Dealer to request confirmation.

2.1 Residents of the Common Monetary Area (and emigrants from the Common Monetary Area under the previous framework)

2.1.1 From 1 March 2021, natural person emigrants and natural person residents of the Common Monetary Area are treated identically, save in the context of securities control as indicated below in paragraph 2.1.4 of this annexure.

2.1.2 The Scheme Consideration or the Standby General Offer Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations read with the AD Manual.

2.1.3 The distinction between South African assets and non-resident assets remains extant.

2.1.4 In the context of the exchange control rules regarding securities control, the SARB has indicated in Exchange Control Circular 6/2021 and 8/2021 that the rules applicable to natural person emigrants will temporarily apply until discussions with the relevant stakeholders have been finalised. As such, a distinction must still be drawn between residents and emigrants for the time being and the following applies in respect of emigrants who have formally emigrated before 1 March 2021:

2.1.4.1 the Scheme Consideration or the Standby General Offer Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

2.1.4.2 in respect of Certificated Shareholders whose registered addresses in the register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Scheme Consideration or the Standby General Offer Consideration will be paid by way of EFT and credited to their accounts held at their CSDP or Broker, as applicable.

2.1.4.3 in respect of a Massmart Shareholder who holds Certificated Shares and who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title are held in Certificated form and have been restrictively endorsed under the Exchange Control Regulations, the Scheme Consideration or the Standby General Offer Consideration will be deposited in the Shareholder's capital account with the Authorised Dealer to whose order the Scheme Consideration or the Standby General Offer Consideration Shareholder's Dematerialised Shares have been held, since the formalisation of the Shareholder's emigration, against delivery of the relevant Documents of Title.

2.1.4.4 the Authorised Dealer surrendering the Documents of Title in terms of the Scheme Consideration or the Standby General Offer Consideration must countersign the Form of Surrender and Transfer (*blue*) thereby indicating that the Scheme Consideration or the Standby General Offer Consideration will be placed directly in its control. The attached Form of Surrender and Transfer (*blue*) makes provision for the details and signature of the Authorised Dealer concerned to be provided; and

- 2.1.4.5 In respect of Massmart Shareholders who hold Dematerialised Shares and who are emigrants from South Africa and whose registered address is outside the Common Monetary Area, the Scheme Consideration or the Standby General Offer Consideration will be credited to CSDP controlling the Shareholder's remaining share account.

2.2 Residents of the Common Monetary Area

In the case of:

- 2.2.1 Certificated Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Scheme Consideration or the Standby General Offer Consideration will be transferred to such Shareholder by EFT; and
- 2.2.2 Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose accounts with their CSDP or Broker have not been restrictively designated in terms of the Exchange Control Regulations, the Scheme Consideration or the Standby General Offer Consideration will be credited directly to the accounts nominated for the relevant Shareholder by their duly appointed CSDP or Broker in terms of the provisions of the Custody Agreement with their CSDP or Broker.

2.3 All other non-residents of the Common Monetary Area

- 2.3.1 The Scheme Consideration or the Standby General Offer Consideration due to a Certificated Shareholder who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the Authorised Dealer in foreign exchange in South Africa nominated by such Shareholder. It will be incumbent on the Shareholder concerned to instruct the nominated Authorised Dealer as to the disposal of the amounts concerned, against delivery of the relevant Documents of Title. The Form of Surrender and Transfer (*blue*) and Form of Acceptance and Transfer (*pink*) attached to this Circular make provision for this nomination required. If the information regarding the Authorised Dealer is not given, the Scheme Consideration or the Standby General Offer Consideration will be held in trust by Massmart (or any third party nominated by it for this purpose) for the Shareholders concerned pending receipt of the necessary information or instruction.
- 2.3.2 In the case of the Scheme Participants or Standby General Offer Participants being Dematerialised Shareholders, the Scheme Consideration or the Standby General Offer Consideration will be fully paid up and delivered to their duly appointed Broker or CSDP and credited to such Scheme Participant's or Standby General Offer Participant's accounts nominated for the relevant Scheme Participant or Standby General Offer Participant by their duly appointed Broker or CSDP in terms of the provisions of the Custody Agreement with their Broker or CSDP.

3. INFORMATION NOT PROVIDED

If the information regarding Authorised Dealers is not provided or the instructions are not given and no bank account or address details for the Shareholder in question appears in the register, the Offer Consideration will be held in trust by Massmart (or any third party nominated by it for this purpose) on the same basis as provided for in this Circular.

SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

“115: Required approval for transactions contemplated in Part A

1. Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
 - (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of section 119(6).
2. A proposed transaction contemplated in subsection (1) must be approved:
 - (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
 - (c) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company, if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (d) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
3. Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
 - (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

4. For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
 - (a) required to be present or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- 4A. In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).
5. If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
6. On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
7. On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
 - (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
8. The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
 - (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
9. If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

“164: Dissenting shareholders appraisal rights

1. This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
2. If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
3. At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
4. Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
5. A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
 - (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
6. The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
7. A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
8. A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
 - (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.

9. A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
 - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
10. If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
11. Within five business days after the later of:
 - (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
12. Every offer made under subsection (11):
 - (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
13. If a shareholder accepts an offer made under subsection (12):
 - (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
14. A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
 - (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
15. On an application to the court under subsection (14):
 - (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

- (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

15A. At any time until the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

- (a) that shareholder must comply with the requirements of subsection 13(a); and
- (b) the company must comply with the requirements of subsection 13(b).

16. The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

17. If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:

- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
- (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

18. If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

19. For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

(a) the provisions of that section; or

(b) the application by the company of the solvency and liquidity test set out in section 4.

20. Except to the extent:

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.”

SECTION 124 – COMPULSORY ACQUISITIONS AND SQUEEZE OUT

- “(1) If, within four months after the date of an offer for the acquisition of any class of securities of a regulated company, that offer has been accepted by the holders of at least 90% of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or persons acting in concert, or a nominee or subsidiary of any such person or persons:
- (a) within two further months, the offeror may notify the holders of the remaining securities of the class, in the prescribed manner and form:
 - (i) that the offer has been accepted to that extent; and
 - (ii) that the offeror desires to acquire all remaining securities of that class; and
 - (b) subject to subsection (2), after giving notice in terms of paragraph (a), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (2) Within 30 business days after receiving a notice in terms of subsection (1) (a), a person may apply to a court for an order:
- (a) that the offeror is not entitled to acquire the applicant’s securities of that class; or
 - (b) imposing conditions of acquisition different from those of the original offer.
- (3) If an offer to acquire the securities of a particular class has not been accepted to the extent contemplated in subsection (1):
- (a) the offeror may apply to a court for an order authorising the offeror to give a notice contemplated in subsection (1) (a); and
 - (b) the court may make the order applied for, if:
 - (i) after making reasonable enquiries, the offeror has been unable to trace one or more of the persons holding securities to which the offer relates;
 - (ii) by virtue of acceptances of the original offer, the securities that are the subject of the application, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1);
 - (iii) the consideration offered is fair and reasonable; and
 - (iv) the court is satisfied that it is just and equitable to make the order, having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
- (4) If an offer for the acquisition of any class of securities of a regulated company has resulted in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90% of the securities of that class:
- (a) the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent;
 - (a) within three months after receiving a notice in terms of paragraph (a), a person may demand that the offeror acquire all of the person’s securities of the class concerned; and
 - (c) after receiving a demand in terms of paragraph (b), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.

- (5) If an offeror has given notice in terms of subsection (1), and no order has been made in terms of subsection (3), or if the offeror has received a demand in terms of subsection (4) (b):
- (a) six weeks after the date on which the notice was given or, if an application to a court is then pending, after the application has been disposed of, or after the date on which the demand was received, as the case may be, the offeror must:
 - (i) transmit a copy of the notice to the regulated company whose securities are the subject of the offer, together with an instrument of transfer, executed on behalf of the holder of the those securities by any person appointed by the offeror; and
 - (ii) pay or transfer to that company the consideration representing the price payable by the offeror for the securities concerned,
 - (b) subject to the payment of prescribed fees or duties, the company must thereupon register the offeror as the holder of those securities.
- (6) An instrument of transfer contemplated in subsection (5) is not required for any securities for which a share warrant is for the time being outstanding.
- (7) A regulated company must deposit any consideration received under this section into a separate interest bearing bank account with a banking institution registered under the Banks Act and, subject to subsection (8), those deposits must be:
- (a) held in trust by the company for the person entitled to the securities in respect of which the consideration was received; and
 - (b) paid on demand to the person contemplated in paragraph (a), with interest to the date of payment.
- (8) If a person contemplated in subsection (7) (a) fails for more than three years to demand payment of an amount held in terms of that paragraph, the amount, together with any accumulated interest, must be paid to the benefit of the Guardian's Fund of the Master of the Court, to be held and dealt with in accordance with the rules of that Fund.
- (9) In this section any reference to a "holder of securities who has not accepted the offer" includes any holder who has failed or refused to transfer their securities to the offeror in accordance with the offer."



Massmart Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1940/014066/06)

JSE Ordinary Share code: MSM

ISIN: ZAE000029534

("Massmart" or the "Company")

NOTICE OF GENERAL MEETING

Where appropriate and applicable, the terms defined in the Circular to Shareholders of Massmart, dated 22 September 2022 ("**Circular**") to which this Notice is incorporated and forms part, bear the same meanings in this Notice, unless a word or a term is otherwise defined herein.

If you are in any doubt as to what action you should take in respect of the General Meeting and/or the following resolutions, please consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately.

Shareholders are reminded that:

- a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in its stead at the General Meeting in the place of that Shareholder, and Shareholders are referred to the attached Form of Proxy (*yellow*) in respect of the General Meeting in this regard;
- a proxy need not also be a Shareholder; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of Shareholders must present reasonably satisfactory identification to the chairperson of the General Meeting, and the chairperson must be reasonably satisfied that the right of any person to participate in and vote (whether as Shareholder or as proxy for a Shareholder) has been reasonably verified.

NOTICE

Notice is hereby given that the General Meeting will be held at **10:00** on Friday, 21 October 2022 at the Company's registered office, Massmart House, 16 Peltier Drive, Sunninghill, Ext 6, Gauteng, 2196 or any other adjourned or postponed date and time in accordance with the provisions of section 64(11) of the Companies Act and the Company's MOI, as read with the Listings Requirements, for Eligible Shareholders to consider, and, if deemed fit, to pass, with or without modification, the resolutions set out hereafter. Shareholders wishing to participate by way of electronic communications at the meeting are referred to the paragraph titled "Electronic participation at the General Meeting" below for details on electronic participation.

RECORD DATE

The Massmart Board has determined that, in accordance with the requirements of section 62(3)(a), read with section 59 of the Companies Act, the record date for the purposes of determining which Shareholders of the Company are entitled to participate in and vote at the General Meeting is Friday, 14 October 2022. Accordingly, the last day to trade the Company's securities in order to be recorded in the Register to vote at the General Meeting will be Monday, 11 October 2022.

PURPOSE OF THE GENERAL MEETING

The purpose of the General meeting is to consider, and if deemed fit, pass, with or without modification, all resolutions set out below.

SPECIAL RESOLUTION – SCHEME RESOLUTION IN ACCORDANCE WITH SECTIONS 114(1)(c) AND 115(2)(a) OF THE COMPANIES ACT

“**RESOLVED THAT**, the Scheme proposed by the Board between the Company and the Shareholders, in terms of section 114(1) of the Companies Act (as more fully described in Section B of the Circular to which this Notice convening the General Meeting is attached) which if implemented will result in Walmart acquiring all of the Scheme Shares held by the Scheme Participants, being a total of 101,050,552 Shares, and each Scheme Participant receiving the Scheme Consideration, and pursuant to which the Shares will be Delisted, in accordance with paragraph 1.17(b) of the Listings Requirements from the main board of the JSE, be and is hereby approved in accordance with sections 114(1)(e) and 115(2)(a) of the Companies Act, provided that the Scheme will terminate and that this Special Resolution will be treated as a nullity with immediate effect upon the Board’s determination that any or all of the Scheme Conditions have not been fulfilled (or waived, to the extent possible) on or before the relevant date for fulfilment (or waiver, to the extent possible).”

Voting requirement

Percentage of voting rights required for the Special Resolution to be adopted is at least 75% (seventy five percent) of all the votes exercised on the Special Resolution by persons entitled to exercise voting rights and sufficient Shareholders are present in person or represented by proxy to exercise, in aggregate, at least 25% (twenty five percent) of all the voting rights that are entitled to be exercised on the Special Resolution. Walmart and any of its associates will not exercise any votes on this Special Resolution.

Explanatory note

In accordance with section 115(2)(a) of the Companies Act, the Scheme must be approved by a Special Resolution of the Company. Accordingly, the reason for this Special Resolution is to approve the Scheme in terms of sections 114(1)(c) and 115(2)(a) of the Companies Act.

ORDINARY RESOLUTION – DELISTING RESOLUTION IN ACCORDANCE WITH PARAGRAPHS 1.15(a) AND 1.16 OF THE LISTINGS REQUIREMENTS

“**RESOLVED THAT**, in terms of paragraphs 1.15(a) and 1.16 of the Listings Requirements, the listing of all the Massmart Shares on the main board of the JSE be suspended and terminated at such time and on such date occurring after the date on which the Standby General Offer becomes unconditional, as may be approved by the JSE, Massmart and Walmart, be and is hereby approved.”

Voting requirement

Percentage of voting rights required for Ordinary Resolution to be adopted by at least 75% (seventy five percent) of all the votes exercised on the Ordinary Resolution by persons entitled to exercise voting rights. Walmart, its associates any party related to Walmart and any person acting in concert with Walmart will not exercise any votes on this Ordinary Resolution (as contemplated in section 1.16 of the Listings Requirements).

Explanatory note

The reason for the passing of the Ordinary Resolution is to approve the termination of the listing of all the Massmart Shares from the main board of the JSE in terms of paragraphs 1.15(a) and 1.16 of the Listings Requirements, once the Standby General Offer becomes unconditional and provided that section 124 of the Companies Act is not invoked by Walmart.

The effect of Ordinary Resolution will be that Massmart will be authorised to make application to the JSE for the suspension and termination of the listing of all the Massmart Shares from the main board of the JSE, which will result in all Massmart Shares being delisted from the main board of the JSE following the Standby General Offer becoming unconditional.

QUORUM

The General Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the General Meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting. A matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three shareholders of Massmart personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the General Meeting on matters to be decided by the shareholders.

ELECTRONIC PARTICIPATION AT THE GENERAL MEETING

Shareholders or their proxies may participate in the General Meeting by way of electronic communication. Shareholders or their proxies who wish to participate in the General Meeting via the electronic communication facility will be required to either register using the online registration portal at www.smartagm.co.za or advise the Transfer Secretary thereof by no later than 10:00 on Friday, 14 October 2022 by submitting an email to proxy@computershare.co.za including the full details of the Shareholder's title to the shares issued by the Company, proof of identity in the form of copies of identity documents and share certificates (in the case of Certificated Shareholders) and written confirmation from the Shareholder's CSDP or Broker confirming the Shareholder's title to the Dematerialised Shares (in the case of Dematerialised Shareholders). The Company and the chairperson will first validate such requests and confirm the identity of the Shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided. Massmart will inform the Shareholders who have notified the Company of their intended participation in accordance with this paragraph, by no later than 16:00 on Wednesday, 19 October 2022 by email of the relevant details through which the Shareholders can participate electronically.

VOTING

On a show of hands, every Shareholder who is present in person, or represented by proxy, at the General Meeting shall have one vote (irrespective of the number of Shares held). On a poll, every Shareholder who is present in person, or represented by proxy, at the General Meeting shall be entitled to that proportion of total votes in the Company which the aggregate amount of the nominal value of Shares bears to the aggregate amount of the nominal value of all Shares issued by the Company.

IDENTIFICATION

Section 63(1) of the Companies Act requires meeting participants (including proxies) to provide the person presiding at the meeting with satisfactory identification. The Company will regard the presentation of participants' original driver's licences, identity documents or passports to be satisfactory "documentation".

ATTENDANCE AT THE GENERAL MEETING AND PROXIES

Certificated Shareholders and Own-Name Dematerialised Shareholders who are unable to attend the General Meeting but who wish to be represented thereat, are required to complete and return the attached Form of Proxy (*yellow*), to the Transfer Secretary, at the Transfer Secretary's address set out in the Corporate Information section of the Circular to which this Notice is attached or proxy@computershare.co.za by no later than 10:00 on Wednesday, 19 October 2022. Forms of Proxy not lodged with the Transfer Secretary by 10:00 on Wednesday, 19 October 2022, may be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.

Shareholders who have Dematerialised their Shares, other than by "own-name" registration, who wish to attend the General Meeting, should instruct their CSDP or Broker to issue them with the necessary letter of representation to attend the General Meeting. Shareholders who have Dematerialised their Shares, other than by "own-name" registration, who wish to vote at the General Meeting, should provide their CSDP or Broker with voting instructions, in terms of the Custody Agreement. These instructions must be provided to their CSDP or Broker by the cut-off time or date advised by their CSDP or Broker for instructions of this nature.

The attached Form of Proxy (*yellow*) in respect of the General Meeting is only to be completed by those Shareholders who:

- hold Massmart Shares in Certificated form; or
- are recorded on the uncertificated securities Register in "own-name" dematerialised form.

If you hold Dematerialised Shares that are **not** registered in your name:

- and wish to attend the General Meeting, you must obtain the necessary letter of representation from your CSDP or Broker to attend the General Meeting in person or by proxy and vote;
- and do not wish to attend the General Meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or Broker and furnish them with your voting instructions in terms of the relevant Custody Agreement entered into between you and your CSDP or Broker; and
- you must **NOT** complete the attached Form of Proxy (*yellow*) in respect of the General Meeting.

Shareholders' rights regarding proxies in terms of section 58 of the Companies Act are as follows:

- (1) At any time, a Shareholder may appoint any individual, including an individual who is not a Shareholder, as a proxy to:
 - (a) participate in, and speak and vote at, a shareholders' meeting on behalf of the Shareholder; or
 - (b) give or withhold written consent on behalf of the Shareholder to a decision contemplated in section 60 of the Companies Act.
- (2) A proxy appointment:
 - (a) must be in writing, dated and signed by the Shareholder; and
 - (b) remains valid for: (i) one year after the date on which it was signed; or (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4) (c) below, or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
- (3) Except to the extent that the MOI provides otherwise:
 - (a) a Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the Shareholder; and
 - (b) a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the Shareholder at a Shareholders' meeting.
- (4) Irrespective of the form of instrument used to appoint a proxy:
 - (a) the appointment is suspended at any time and to the extent that the Shareholder chooses to act directly and in person in the exercise of any rights as a Shareholder;
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a Shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.
- (5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as of the later of:
 - (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii) above.
- (6) A proxy is entitled to exercise, or abstain from exercising, any voting right of the Shareholder without direction, except to the extent that the MOI, or the instrument appointing the proxy, provides otherwise.

Shareholders who have any doubt as to the action they should take, should consult their Broker, CSDP, banker, attorney, accountant or other professional advisor immediately.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In accordance with section 164 of the Companies Act, at any time before the Special Resolution as set out in this Notice of General Meeting is voted on, a Dissenting Shareholder may give the Company a written notice objecting to the Special Resolution.

Within ten Business Days after the Company has adopted the Special Resolution, the Company must send a notice that the Resolution has been adopted to each Shareholder who:

- gave the Company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of the Special Resolution.

A Shareholder may demand that the Company pay the Shareholder the fair value for all of the Shares of the Company held by that person if:

- the Shareholder has sent the Company a written notice of objection;
- the Company has adopted the Special Resolution; and
- the Shareholder voted against the Special Resolution and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in Annexure 6 to this Circular to which this Notice convening the General Meeting is attached. Further detail regarding the process and consequences of a Shareholder exercising its Appraisal Rights are set out in paragraph 11 of Section B of the Circular.

By order of the Board

Sandile Lukhele

Company Secretary

Registered office

Massmart House, 16 Peltier Drive, Sunninghill, Ext 6, Gauteng, 2196

Transfer Secretary to Massmart Holdings Limited

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Rosebank Towers

15 Biermann Avenue

Rosebank

Gauteng

2196

(Private Bag X9000, Saxonwold, Gauteng, 2132)



Massmart Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1940/014066/06)

JSE Ordinary Share code: MSM

ISIN: ZAE000029534

("Massmart" or the "Company")

APPLICATION FORM FOR ELECTRONIC PARTICIPATION AT THE GENERAL MEETING

General Meeting Instructions

Shareholders, or their proxies, have the right, as provided for in the Company's MOI and the Companies Act, to participate in the General Meeting by way of electronic communication.

Shareholders or their duly appointed proxies who wish to participate in the General Meeting by electronic communication must complete this application form and email it (together with the relevant supporting documents referred to below) to the Transfer Secretary at proxy@computershare.co.za preferably by no later than 10:00 on Wednesday, 19 October 2022.

Upon receiving a completed Electronic Participation Application Form, the Transfer Secretary will follow a verification process to verify each applicant's entitlement to participate electronically in and/or vote at the General Meeting.

Please note

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Neither Massmart nor the Transfer Secretary will be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any such participant from participating electronically in and/or voting at the General Meeting.

By signing this Electronic Participation Application Form, the participant indemnifies and holds Massmart harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the General Meeting or any interruption in the ability of the participant to participate in the General Meeting via electronic communication, whether or not the problem is caused by any act or omission on the part of the participant or anyone else, including without limitation Massmart and its employees.

Information required for participation by electronic communication at the General Meeting

Full name of shareholder: _____

Identity or registration number of shareholder: _____

Full name of authorised representative (if applicable): _____

Identity number of authorised representative: _____

Email address: _____

**Note: this email address will be used by the Company to share the Lumi meeting invitation required to access the General Meeting electronically.*

Cell phone number: Telephone number, including dialling codes:

Indicate (by marking with an "X") whether:

votes will be submitted by proxy (in which case, please enclose the duly completed proxy form with this form); or

the participant wishes to exercise votes during the General Meeting. If this option is selected, the Transfer Secretary will contact you to make the necessary arrangements.

By signing this application form, I consent to the processing of my personal information above for the purpose of participating in the General Meeting.

Signed _____ on _____ 2022

Signed: _____

Please read documents required to be attached to this application form overleaf

Documents required to be attached to this application form

In order to exercise their voting rights at the General Meeting, Shareholders who choose to participate electronically may appoint a proxy, which proxy may participate electronically in the General Meeting, provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the General Meeting. A copy of the proxy form can be found on page 111. Documentary evidence establishing the authority of the Shareholder or duly appointed proxy, including any person acting in a representative capacity, who is to participate electronically in the General Meeting, must be attached to this application. This includes:

- *the Shareholder's full title to the shares issued by Massmart, in the form of share certificates (in the case of certified shares);*
- *(in the case of dematerialised shares) written confirmation from the Shareholder's CSDP confirming the Shareholders title to the dematerialised shares; and*
- *a certified copy of the valid identity document/passport of the person attending the General Meeting by electronic participation, including any person acting in a representative capacity.*

Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the Shareholder, its proxy or representative, and delivered as detailed above. The Company may in its sole discretion accept any incomplete application forms.



Massmart Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1940/014066/06)
JSE Ordinary Share code: MSM
ISIN: ZAE000029534
("Massmart" or the "Company")

FORM OF PROXY IN RESPECT OF THE GENERAL MEETING

Where appropriate and applicable the terms defined in the Circular to Shareholders of Massmart, dated 21 September 2022 (the "Circular") to which this Form of Proxy is incorporated, shall bear the same meaning in this Form of Proxy, unless a word or term is otherwise defined herein.

This Form of Proxy is irrevocable and cannot be withdrawn once given.

This Form of Proxy is for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only, registered as such at the close of business on Friday, 14 October 2022, being the record date for Shareholders to be recorded in the Register in order to be eligible to attend, participate and vote at the General Meeting to be held at 10:00 on Friday, 21 October 2022 at the Company's registered office, Massmart House, 16 Peltier Drive, Sunninghill Ext 6, Gauteng, 2196, South Africa or any postponed or adjourned date and time in accordance with the provisions of section 64(11) of the Companies Act and the Company's MOI, as read with the Listings Requirements.

Dematerialised Shareholders holding ordinary shares, other than with "own-name" registration, who wish to attend the General Meeting must inform their CSDP or Broker of their intention to attend the General Meeting and request their CSDP or Broker to issue them with the relevant letter of representation to attend and vote at the General Meeting in person or by proxy. If they do not wish to attend the General Meeting in person or by proxy, they must provide their CSDP or Broker with their voting instructions in terms of the relevant Custody Agreement entered into between them and the CSDP or Broker. **Such Shareholders must not use this Form of Proxy in respect of the General Meeting.**

Companies and other corporate bodies who are Shareholders having Shares registered in their own names may, instead of completing this Form of Proxy in respect of the General Meeting, appoint a duly authorised representative to represent them and exercise all of their rights at the General Meeting by giving written notice of the appointment of that representative.

Each Shareholder is entitled to appoint one proxy (who need not be a Shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.

Please read the notes on the reverse hereof carefully, which, among other things, set out the rights of Shareholders in terms of section 58 of the Companies Act with regard to the appointment of proxies.

Forms of Proxy not lodged with the Transfer Secretary in time may be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.

I/We

(full name/s in block letters) of (address)

Telephone work ()

Telephone home ()

Cellphone number

being the holder/custodian of shares of the Company, hereby appoint (see notes 1 and 4):

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairperson of the General Meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the General Meeting convened for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each postponement or adjournment thereof, and to vote for and/or against such resolutions, and/or to abstain from voting for and/or against the resolutions to be proposed at the General Meeting, in respect of the Shares registered in my/our name in accordance with the following instructions:

	Number of Shares		
	For	Against	Abstain
Special Resolution Scheme Resolution in accordance with sections 114(1)(e) and 115(2)(a) of the Companies Act			
Ordinary Resolution Approval for the Delisting Resolution in terms of paragraphs 1.15(a) and 1.16 of the Listings Requirements			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of Shares than you own in the Company, insert the number of Shares held in respect of which you desire to vote. If no directions are given, the proxy holder will be entitled to vote or to abstain from voting, as that proxy holder deems fit.

Signed at _____ on _____ 2022

Signature _____

Capacity of signatory (where applicable) _____

Assisted by (where applicable) _____

Each Shareholder is entitled to appoint one or more proxies (who need not be a Shareholder) to attend, speak and vote in place of that Shareholder at the General Meeting.

Notes:

Summary of rights contained in section 58 of the Companies Act

1. In terms of section 58 of the Companies Act:
 - a Shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such Shareholder;
 - a proxy may delegate his or her authority to act on behalf of a Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
 - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person in the exercise of any of such Shareholder's rights as a Shareholder;
 - any appointment by a Shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
 - any appointment remains valid until the end of the General Meeting (or any adjournment or postponement thereof), unless it is revoked in the manner contemplated herein;
 - if an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy, and (ii) delivering a copy of the revocation instrument to the proxy and to the Company; and
 - a proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that the relevant company's MOI, or the instrument appointing the proxy, provides otherwise (see notes 9 and 11).
2. This Form of Proxy in respect of the General Meeting must only be used by Shareholders who hold shares in Certificated form or who are recorded on the Sub-Register in electronic form in "own name".
3. This Form of Proxy in respect of the General Meeting will apply to all the Shares registered in the name of the Shareholder who signs this Form of Proxy on the General Meeting Record Date (and all the votes associated with those shares) unless a lesser number of Shares is inserted.
4. A Shareholder entitled to attend and vote at the General Meeting may insert the name of a proxy of the Shareholder's choice in the space provided, with or without deleting "the chairperson of the General Meeting". The proxy need not be a Shareholder. If the name of the proxy is not inserted, the chairperson of the General Meeting will be appointed as proxy.
5. The proxy appointed in this Form of Proxy in respect of the General Meeting may delegate the authority given to him or her in this Form of Proxy in respect of the General Meeting by delivering to the Company, in the manner required by these instructions, a further form of proxy in respect of the General Meeting which has been completed in a manner consistent with the authority given to the proxy in this Form of Proxy in respect of the General Meeting.
6. This Form of Proxy is irrevocable and cannot be withdrawn once given.
7. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting. If the General Meeting is adjourned or postponed then Forms of Proxy that have not yet been submitted should be lodged with the Transfer Secretary by no later than 48 hours before the adjourned or postponed General Meeting but may nonetheless be handed to the chairperson of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Shareholder at the adjourned or postponed General Meeting. This Form of Proxy in respect of the General Meeting shall not be used at the resumption of the General Meeting (if adjourned), if it could not have been used at the General Meeting from which the adjournment took place for any reason other than that it was not lodged timeously for the General Meeting from which the adjournment took place.
8. This Form of Proxy in respect of the General Meeting shall, in addition to the authority granted under the Companies Act, be deemed to confer the power generally to act at the General Meeting, subject to the specific direction as to the manner of voting in this Form of Proxy in respect of the General Meeting or on separate written instructions which accompany this Form of Proxy in respect of the General Meeting. A proxy is therefore entitled to exercise, or abstain from exercising, any voting right of the Shareholder without direction, except to the extent that the voting instructions are indicated on this Form of Proxy in respect of the General Meeting or on separate written instructions which accompany this Form of Proxy in respect of the General Meeting.
9. If a Shareholder does not indicate on this Form of Proxy in respect of the General Meeting that its proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the General Meeting be proposed, or any resolution listed in the Form of Proxy in respect of the General Meeting is modified or amended, such proxy shall be entitled to vote as he or she thinks fit. If, however, the Shareholder has provided separate written instructions which accompany this Form of Proxy in respect of the General Meeting and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to above, then the proxy shall comply with those instructions.
10. A Shareholder or the proxy is not obliged to cast all the votes exercisable by the Shareholder or by the proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total number of the votes exercisable by the Shareholder or by the proxy.
11. A vote cast or act done in accordance with the terms of this Form of Proxy in respect of the General Meeting shall be valid in relation to the General Meeting, notwithstanding the previous death, insanity or other legal disability of the person appointing the proxy, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice as to any of the abovementioned matters shall have been received by the Transfer Secretary or the chairperson of the General Meeting before the commencement or resumption of the General Meeting.
12. The completion and lodging of this Form of Proxy in respect of the General Meeting will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so. Accordingly, the appointment of a proxy in terms hereof is suspended at any time and to the extent that the Shareholder chooses to act directly and in person in the exercise of any rights as a Shareholder.
13. Any alteration or correction made to this Form of Proxy in respect of the General Meeting, other than the deletion of alternatives, must be initialled by the signatory(ies).
14. The chairperson of the General Meeting may reject or accept any form of proxy in respect of the General Meeting which is completed and/or received, other than in compliance with these notes and instructions or with the MOI of the Company, provided that the chairperson is satisfied as to the manner in which the Shareholder wishes to vote.
15. Documentary evidence establishing the authority of a person signing this Form of Proxy in respect of the General Meeting in a representative capacity must be attached to this Form of Proxy in respect of the General Meeting, unless previously recorded by the Company or unless this requirement is waived by the chairperson of the General Meeting.
16. A minor or any other person under legal incapacity must be assisted by his parent or guardian, as applicable, unless the relevant documents establishing his capacity are produced or have been registered with the Company.
17. Where there are joint holders of Shares:
 - any one holder may sign this Form of Proxy in respect of the General Meeting; and
 - the vote(s) of the senior Shareholders (for that purpose, seniority will be determined by the order in which the names of Shareholders appear in the Company's register of Shareholders) who tender a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s).
18. **Forms of Proxy in respect of the General Meeting must be lodged with or mailed to the Transfer Secretary:**

Hand deliveries to: Level 1 Rosebank Towers 15 Biermann Avenue Rosebank Gauteng 2196	Postal deliveries to: (Private Bag X3000 Saxonwold Johannesburg Gauteng, 2132)	Email submission to: proxy@computershare.co.za
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19. If this Form of Proxy in respect of the General Meeting has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's MOI to be delivered by the Company to the Shareholder must be delivered by the Company to (i) the Shareholder or (ii) the proxy, if the Shareholder has directed the Company in writing to do so and paid any reasonable fee charged by the Company for doing so.

to be received by no later than **10:00** on **21 October 2022** (on Business Days only) before the resumption of an adjourned General Meeting which date, if necessary, will be released on SENS). Forms of Proxy not lodged with the Transfer Secretary in time may be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.



Massmart Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1940/014066/06)

JSE Ordinary Share code: MSM

ISIN: ZAE000029534

("Massmart" or the "Company")

FORM OF SURRENDER AND TRANSFER IN RESPECT OF SCHEME ("FORM") (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

Where appropriate and applicable the terms defined in the Circular to Shareholders of Massmart, dated 22 September 2022 (the "**Circular**") to which this Form is incorporated, shall bear the same meaning in this Form, unless a word or term is otherwise defined herein.

Important notes concerning this Form:

- This Form is only for use in respect of the scheme of arrangement proposed by the Massmart Board between Massmart and Eligible Shareholders holding Certificated Shares ("**Certificated Eligible Shareholders**") in accordance with the requirements of section 114(1) of the Companies Act.
- Full details of the Scheme are contained in the Circular to Massmart Shareholders, dated Thursday, 22 September 2022, to which this Form is attached.
- The Scheme Participants will receive the Scheme Consideration.
- A Dissenting Shareholder who subsequently becomes a Scheme Participant after the Scheme Consideration Record Date shall receive the Scheme Consideration.
- **This Form is attached for the use by Certificated Eligible Shareholders who, if the Scheme becomes operative, will be required to surrender their Documents of Title in respect of all their Massmart Shares in order to claim the Scheme Consideration payable to them.**

HOLDERS OF DEMATERIALISED SHARES MUST NOT COMPLETE THIS FORM.

INSTRUCTIONS:

1. The surrender of Documents of Title is for use only by Shareholders who are Certificated Shareholders.
2. A separate Form is required for each Certificated Scheme Shareholder.
3. Shareholders must complete this Form in BLOCK CAPITALS.
4. Part A must be completed by all Certificated Eligible Shareholders who return this Form.
5. Part B must be completed by Certificated Eligible Shareholders who have completed Part A and who are emigrants from, or non-residents of, the Common Monetary Area.
6. Part C must be completed by Certificated Eligible Shareholders who have completed Part A and whose bank details are not recorded with the Transfer Secretary or who wish to receive the Scheme Consideration to be made by way of the electronic flow of funds.
7. If this Form is returned with the relevant Documents of Title to the Scheme Shares, it will be treated as a conditional surrender which is made subject to the Scheme becoming operative. In the event of the Scheme not becoming operative for any reason whatsoever and you do not accept the Standby General Offer within the stipulated time frame, or the Standby General Offer does not become unconditional, the Transfer Secretary shall return the Documents of Title to you, by registered post, at your own risk within five Business Days of the later of (i) the date on which you reject or are deemed to have rejected the Standby General Offer, or (ii) if you accepted the Standby General Offer but the Standby General Offer does not become unconditional, then on the day on which it is announced that the Standby General Offer has failed and (iii) the date on which the Documents of Title are received by the Transfer Secretary.
8. Persons who have acquired Massmart Shares after the date of the issue of the Circular to which this Form is attached may obtain copies of the Form and the Circular from the Transfer Secretary at the Transfer Secretary's address set out in the "Corporate Information and Advisors" section of the Circular on page 1.
9. The Scheme Consideration will not be sent to Certificated Scheme Participants unless and until Documents of Title in respect of the relevant Scheme Shares have been surrendered to the Transfer Secretary.
10. The completed Form and the Documents of Title in respect of the Scheme Shares surrendered must be returned by no later than **12:00** on the Scheme Record Date.

To: The Transfer Secretary,

Hand deliveries to:

Level 1 Rosebank Towers
15 Biermann Avenue
Rosebank
Gauteng
2196

Dear Sirs

Postal deliveries to:

Computershare Investor Services Proprietary Limited
(Private Bag X3000, Saxonwold, Johannesburg, Gauteng, 2132)

PART A: TO BE COMPLETED BY ALL CERTIFICATED ELIGIBLE SHAREHOLDERS WHO RETURN THIS FORM.

I/We, the undersigned Shareholders, hereby surrender and enclose the undermentioned Massmart Share certificate/s and/or other Documents of Title attached hereto, representing all the Scheme Shares, registered in the name of the person mentioned below and authorise the Transfer Secretary, conditional upon the Scheme becoming operative, to register the transfer of these Scheme Shares into the name of Walmart Inc. or its nominee(s) as follows:

Name of Shareholder	Certificate number(s) (in numerical order)	Number of Scheme Shares covered by each certificate(s) enclosed
Total		

Surname or Name of juristic person/name of trust together with the name of each trustee:

Identity number/registration number/Master's reference number and identity numbers of each trustee:

Surname or name of corporate body:

First name(s) in full

Title (Mr, Mrs, Miss, Ms, etc.)

Address to which the Scheme Consideration should be posted (if different from registered address)

Telephone work ()

Telephone home ()

Cellphone number

Email address

Signature of Shareholder	Stamp and address of agent lodging this Form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home) ()	
Telephone number (Work) ()	
Cellphone number	

Note:

In order to comply with the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) ("**FICA**"), the Transfer Secretary will be unable to record any change of address unless the following documentation is received:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- an original or original certified copy of a service bill to verify your residential address.

PART B: TO BE COMPLETED BY CERTIFICATED ELIGIBLE SHAREHOLDERS WHO HAVE COMPLETED PART A AND WHO ARE EMIGRANTS FROM, OR NON-RESIDENTS OF, THE COMMON MONETARY AREA. (See notes 3 and 4 below.)

In the case of Certificated Eligible Shareholders who are emigrants: The Scheme Consideration will be forwarded, or transferred (at the risk of the Certificated Eligible Shareholders) to the Authorised Dealer nominated by the Certificated Eligible Shareholders below for its control and credited to the emigrant's blocked account. Accordingly, non-residents who are emigrants must provide the following information: **NB: PART A must also be completed**

Name of Authorised Dealer:	Stamp and address of agent lodging this Form (if any)
Account number:	
Address:	
Signature of Authorised Dealer:	

If emigrants make no nomination above, the Company Secretary will hold the consideration in trust for the benefit of the emigrants concerned until lawfully claimed by such Scheme Participant for a maximum period of five years, after which such funds shall be paid over to the Guardian's Fund. Non-residents must complete Part B if they wish the Scheme Consideration to be paid to an Authorised Dealer in South Africa.

PART C: TO BE COMPLETED BY CERTIFICATED ELIGIBLE SHAREHOLDERS WHO HAVE COMPLETED PART A WHOSE BANK DETAILS ARE NOT RECORDED WITH THE TRANSFER SECRETARY, OR WHO WISH TO RECEIVE THE SCHEME CONSIDERATION TO BE MADE BY WAY OF THE ELECTRONIC FLOW OF FUNDS.

To be completed in BLOCK CAPITALS by Massmart Shareholders wishing to receive payment of the Scheme Consideration by means of EFT.

I/We, being a holder/s of Scheme Shares, hereby request that the Scheme Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third party accounts):	
Bank name:	
Branch name:	
Branch code:	
Account number:	
Signature of Shareholder:	
Assisted by me (if applicable):	
(State full name and capacity):	
Date:	
Cellphone:	
Tel (Home) ()	Tel (Work) ()

In terms of FICA, the Transfer Secretary will only be able to record the bank details if certified true copies of the Shareholder's ID Document and Bank Statements are submitted with this Form. Shareholders are required to contact the Transfer Secretary directly on 086 1100 634] (or +27 11 370 5000) in order for the Transfer Secretary to advise them of the specific FICA documentation required.

Massmart and Walmart undertake no responsibility for verification of the banking details provided above nor for the authenticity of the signature above. Certificated Eligible Shareholders warrant the correctness of the above banking details and indemnify and hold Massmart and Walmart harmless against any loss for funds having been paid into the account, details of which have been provided above.

Notes and instructions:

1. Applications under this Form are irrevocable and may not be withdrawn once submitted.
2. Shareholders should consult their professional advisors in case of doubt as to the correct completion of this Form.
3. Emigrants from the Common Monetary Area must complete Part B.
4. All other non-residents of the Common Monetary Area must also complete Part B if they wish the Scheme Consideration to be paid to an Authorised Dealer in South Africa.
5. If Part B is not properly completed by Certificated Shareholders, the Scheme Consideration will be held in trust by the Transfer Secretary pending receipt of the necessary nomination or instruction. No interest will be paid on the amount so held in trust.
6. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form.
7. Persons who are emigrants from the Common Monetary Area should nominate the Authorised Dealer in foreign exchange in South Africa which has control of their blocked assets in Part B of this Form. Failing such nomination, the Scheme Consideration due to such Scheme Participants in accordance with the provisions of the Scheme will be held by Massmart, pending instructions from the Scheme Participants concerned.

8. Any alteration to this Form must be signed in full and not initialled.
9. If this Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this Form for noting (unless it has already been noted by Massmart or the Transfer Secretary). This does not apply in the event of this Form bearing a JSE broker's stamp.
10. Where the Shareholder is a company or a close corporation, unless it has already been registered with Massmart or the Transfer Secretary, a certified copy of the directors' or members' resolution authorising the signing of this Form must be submitted if so requested by Massmart or the Transfer Secretary.
11. If this Form is not signed by the Shareholder, the Shareholder will be deemed to have irrevocably appointed the Transfer Secretary to implement the Shareholder's obligations under the Scheme on his or her behalf.
12. Where there are any joint holders of any Scheme Shares, only that holder whose name stands first in the Register in respect of such Shares need sign this Form.
13. A minor must be assisted by his or her parent or guardian, unless the relevant documents establishing his or her legal capacity are produced or have been registered by the Transfer Secretary.
14. Should you surrender your Documents of Title in anticipation of the Scheme becoming operative and the Scheme then does not become operative, and you do not accept the Standby General Offer within the stipulated time frame, or the Standby General Offer does not become unconditional, the Transfer Secretary shall, within five Business Days of the later of (i) the date on which you reject or are deemed to have rejected the Standby General Offer, or (ii) if you accepted the Standby General Offer but the Standby General Offer does not become unconditional, then on the day on which it is announced that the Standby General Offer has failed and (iii) the date on which the Documents of Title are received by the Transfer Secretary.



Massmart Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1940/014066/06)

JSE Ordinary Share code: MSM

ISIN: ZAE000029534

("Massmart" or the "Company")

FORM OF ACCEPTANCE AND TRANSFER FOR THE STANDBY GENERAL OFFER ("FORM") (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

Where appropriate and applicable the terms defined in the Circular to Shareholders of Massmart, dated 22 September 2022 (the "**Circular**"), to which this Form is incorporated, shall bear the same meaning in this Form, unless a word or term is otherwise defined herein.

This Form should be read in conjunction with the Circular.

- This Form is only for use in respect of the Standby General Offer proposed by Walmart and between Walmart and the Eligible Shareholders holding Certificated Shares ("**Certificated Eligible Shareholders**").
- Full details of the Standby General Offer are contained in the Circular to which this Form is attached and forms part.
- **This Form is attached for the use by Certificated Eligible Shareholders for purposes of accepting the Standby General Offer and Tendering Standby General Offer Shares in terms of the Standby General Offer.**

HOLDERS OF DEMATERIALIZED SHARES MUST NOT COMPLETE THIS FORM.

INSTRUCTIONS:

1. A separate Form is required for each Shareholder.
2. Shareholders must complete this Form in BLOCK CAPITALS.
3. The surrender of Documents of Title is for use only by Shareholders who are Certificated Shareholders.
4. If you complete the Form of Surrender and Transfer (*blue*) and return it, together with the relevant Documents of Title, to the Transfer Secretary in anticipation of the Scheme becoming operative, you will still be required to complete this Form, but you will not be required to surrender your Documents of Title again.
5. Part A must be completed by all Certificated Eligible Shareholders who return this Form.
6. Part B must be completed by a Certificated Eligible Shareholder who has completed Part A and who is an emigrant from, or non-resident of the Common Monetary Area.
7. Part C must be completed by Certificated Eligible Shareholders who have completed Part A and whose bank details are not recorded with the Transfer Secretary or who wish to receive the Standby General Offer Consideration to be made by way of the electronic flow of funds.
8. The completed Form and the Documents of Title in respect of the Standby General Offer Shares Tendered must be returned to the Transfer Secretary at the Transfer Secretary's address set out in the "Corporate Information and Advisors" section of this Circular on page 1, so as to be received by no later than 12:00 on the Standby General Offer Closing Date.
9. Once this Form of Acceptance and Transfer is received by the Transfer Secretary, your acceptance of the Standby General Offer will be final and you may not withdraw your acceptance unless expressly permitted by the Companies Regulations.
10. If you do not validly accept the Standby General Offer by **12:00** on the Standby General Offer Closing Date, you will be deemed to have declined the Standby General Offer. Late acceptances may be accepted or rejected at Walmart's absolute and sole discretion.
11. If this Form is returned with the relevant Documents of Title to the Standby General Offer Shares, it will be treated as a conditional surrender which is made subject to the Standby General Offer becoming unconditional. In the event of the Standby General Offer not becoming unconditional for any reason whatsoever the Transfer Secretary will, by no later than five Business Days after the date upon which it becomes known that the Standby General Offer will not become unconditional, return the Documents of Title to the Shareholders concerned, by courier, at the risk of such Shareholders.
12. Persons who have acquired Massmart Shares after the date of the issue of the Circular to which this Form is attached may obtain copies of the Form and the Circular from the Transfer Secretary at the Transfer Secretary's address set out in the "Corporate Information and Advisors" section of the Circular on page 1.
13. The Standby General Offer Consideration will not be sent to Certificated Standby General Offer Participants unless and until Documents of Title in respect of the relevant Standby General Offer Shares have been surrendered to the Transfer Secretary.

To: The Transfer Secretary,

Hand deliveries to:

Level 1 Rosebank Towers
15 Biermann Avenue
Rosebank
Gauteng
2196

Postal deliveries to:

Computershare Investor Services Proprietary Limited
(Private Bag X3000, Saxonwold, Johannesburg, Gauteng, 2132)

Dear Sirs

PART A: TO BE COMPLETED BY ALL CERTIFICATED ELIGIBLE SHAREHOLDERS WHO RETURN THIS FORM.

I/We, the undersigned Shareholder, hereby surrender and enclose the undermentioned Massmart Share certificate/s and/or other Documents of Title attached hereto, representing all the Standby General Offer Shares, registered in the name of the person mentioned below and authorise the Transfer Secretary, conditional upon the Standby General Offer becoming unconditional, to register the transfer of these Standby General Offer Shares into the name of Walmart Inc. or its nominee(s) as follows:

Name of Shareholder	Certificate number(s) (in numerical order)	Number of Standby General Offer Shares covered by each certificate(s) enclosed
Total		

Surname or Name of juristic person/name of trust together with the name of each trustee:

Identity number/registration number/Master's reference number and identity numbers of each trustee:

Surname or name of corporate body:

First name(s) in full

Title (Mr, Mrs, Miss, Ms, etc.)

Address to which the Scheme Consideration should be posted (if different from registered address)

Telephone work ()

Telephone home ()

Cellphone number

Email address

Signature of Shareholder	Stamp and address of agent lodging this Form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home) ()	
Telephone number (Work) ()	
Cellphone number	

Note:

In order to comply with the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) ("FICA"), the Transfer Secretary will be unable to record any change of address unless the following documentation is received:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- an original or original certified copy of a service bill to verify your residential address.

PART B: TO BE COMPLETED BY A CERTIFICATED ELIGIBLE SHAREHOLDER WHO HAS COMPLETED PART A AND WHO IS AN EMIGRANT FROM, OR NON-RESIDENT OF, THE COMMON MONETARY AREA. (See notes 3 and 4 below).

In the case of Certificated Eligible Shareholders who are emigrants: The Standby General Offer Consideration will be forwarded, or transferred (at the risk of the Certificated Eligible Shareholders) to the Authorised Dealer nominated by the Certificated Eligible Shareholders below for its control and credited to the emigrant's blocked account. Accordingly, non-residents who are emigrants must provide the following information: **NB PART A must also be completed**

Name of Authorised Dealer:	Stamp and address of agent lodging this Form (if any)
Account number:	
Address:	
Signature of Authorised Dealer:	

If emigrants make no nomination above, Walmart or the Transfer Secretary will hold the consideration in trust for the benefit of the emigrants concerned until lawfully claimed by such Standby General Offer Participant for a maximum period of five years, after which such funds shall be paid over to the Guardian's Fund.

PART C: TO BE COMPLETED BY CERTIFICATED ELIGIBLE SHAREHOLDERS WHO HAVE COMPLETED PART A WHOSE BANK DETAILS ARE NOT RECORDED WITH THE TRANSFER SECRETARY OR WHO WISH ELECT TO RECEIVE THE STANDBY GENERAL OFFER CONSIDERATION TO BE MADE BY WAY OF THE ELECTRONIC FLOW OF FUNDS.

To be completed in BLOCK CAPITALS by Certificated Eligible Shareholders wishing to receive payment of the Standby General Offer Consideration by means of EFT.

I/We, being a holder/s of Standby General Offer Shares hereby request that the Standby General Offer Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third party accounts):	
Bank name:	
Branch name:	
Branch code:	
Account number:	
Signature of Shareholder:	
Assisted by me (if applicable):	
(State full name and capacity):	
Date:	
Cell phone:	
Tel (Home) ()	Tel (Work) ()

In terms of FICA, the Transfer Secretary will only be able to record the bank details if certified true copies of the Shareholder's ID Document and Bank Statements are submitted with this Form.

Walmart undertakes no responsibility for verification of the banking details provided above nor for the authenticity of the signature above. Certificated Eligible Shareholders warrant the correctness of the above banking details and indemnify and hold Walmart harmless against any loss for funds having been paid into the account, details of which have been provided above.

Notes and instructions:

1. Applications under this Form are irrevocable and may not be withdrawn once submitted.
2. Shareholders should consult their professional advisors in case of doubt as to the correct completion of this Form.
3. Emigrants of the Common Monetary Area must, in addition to Part A, also complete Part B. If Part B is not properly completed, the Standby General Offer Consideration will be held in trust by Walmart or the Transfer Secretary until claimed for a maximum period of five years, after which period such funds shall be paid over to the Guardian's Fund of the Master of the High Court. No interest will accrue or be paid on any Standby General Offer Consideration so held in trust.
4. All other non-residents of the Common Monetary Area must also complete Part B if they wish the Standby General Offer Consideration to be paid to an Authorised Dealer in South Africa.
5. Persons who are emigrants from the Common Monetary Area should nominate the Authorised Dealer in foreign exchange in South Africa which has control of their blocked assets in Part B of this Form. Failing such nomination, the Standby General Offer Consideration due to such Standby General Offer Participants in accordance with the provisions of the Standby General Offer will be held by Walmart or the Transfer Secretary, pending instructions from the Standby General Offer Participants concerned.
6. The Standby General Offer Consideration will not be sent to Standby General Offer Participants unless and until Documents of Title in respect of the relevant Standby General Offer Shares have been surrendered to the Transfer Secretary.
7. If a Certificated Eligible Shareholder produces evidence to the satisfaction of Walmart that Documents of Title in respect of Standby General Offer Shares have been lost or destroyed, Walmart may waive the surrender of such Documents of Title against delivery of a duly executed indemnity (including against any damage, expense, loss or payment that Walmart, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the payment of the Standby General Offer Consideration to such person) in a form and on terms and conditions approved by Walmart, or may in their discretion waive such indemnity.

8. If this Form is not signed by the Certificated Eligible Shareholder, the Certificated Eligible Shareholder will be deemed to have irrevocably appointed the Transfer Secretary to implement that Certificated Eligible Shareholder's obligations under the Standby General Offer, as the case may be, on his/her behalf.
9. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this Form.
10. Any alteration to this Form must be signed in full and should not be merely initialled.
11. If this Form is signed under a power of attorney, then such power of attorney, or a notorially certified copy hereof, must be sent with this Form for noting (unless it has already been noted by Massmart or the Transfer Secretary).
12. Where the Certificated Eligible Shareholder is a company or a close corporation, unless it has already been registered with Massmart or the Transfer Secretary, a certified copy of the directors' or members' resolution authorising the signing of this Form must be submitted if so requested by Massmart.
13. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by Massmart or the Transfer Secretary.
14. Notes 11,12 and 13 do not apply in the case of a form bearing a JSE broker's stamp.
15. Where Standby General Offer Shares are held jointly, only the holder whose name stands first in the Register must sign this Form.