

La Sentinelle Group Fraud Policy

Applicable to: All Employees

Policy Owner: Group Human Resources Manager

Document History

Release date	Version	Change Details	Reviewed by
06.02.2019	1.0	Submitted for review	Legal Advisor
20.03.19	2.0	Apply changes submitted by legal advisor	Areff Salauroo

FRAUD POLICY

1. Purpose of Fraud Policy

The Group *Fraud Policy* sets out the responsibility of employees and management in relation to reporting of fraud or suspected fraud within the Group. Though there is some overlap between this policy and the Whistleblowing Policy, it is important to note that the reportage of fraud is **mandatory**. However, a fraud and/or a suspected fraud can also be reported under the Whistleblowing Policy.

2. Scope of Fraud Policy

The Fraud Policy applies to any irregularity, or suspected irregularity, involving employees and where appropriate consultants, vendors, contractors, outside agencies doing business with the Group or employees of such agencies, and/or any other parties having a business relationship with the Group.

For the purposes of the policy, the term 'employee' includes individuals who work within the Group such as external consultants, contractors, agency personnel, and distributors.

3. Definition of Fraud

Fraud can be broadly defined as an intentional act of deceit to obtain an unjust/illegal advantage. For the purposes of the policy, fraud shall include but is not limited to:

- Theft or misappropriation of assets owned or managed by the Group;
- Submitting false claims for payments or reimbursement;
- Accepting or offering a bribe or accepting gifts or other favours under circumstances that might lead to the inference that the gift or favour was intended to influence an employee's decision-making while serving the Group;

- Blackmail or extortion;
- 'Off the books' accounting, or making false or fictitious entries;
- Knowingly creating and/or distributing false or misleading financial reports;
- Paying of excessive prices or fees where justification thereof is not documented;
- Violation of the Group's procedures with the aim of personal gain or to the detriment of the Group;
- Wilful negligence intended to cause damage to the material interest of the Group; and
- A dishonourable or reckless or deliberate act against the interests of the Group.

4. Responsibility for the Prevention and Detection of Fraud

All employees have a duty to guard against fraud. Employees are expected to identify processes and procedures that may be vulnerable to fraud and to draw such instances to the attention of management in their division.

Management have a particular responsibility to be familiar with and alert to the types of fraud that might occur in their area and to put in place effective controls to avoid such occurrences.

Management shall provide support to and work with the Audit Division, other Divisions involved, and law enforcement agencies in the detection, reporting and investigation of dishonest or fraudulent activity, including the prosecution of offenders. Once fraud is detected, Managers/Heads of Departments are responsible for taking appropriate corrective action to ensure adequate controls are put in place to prevent reoccurrence of improper activity. Managers shall be conscious that, given the widespread use of IT systems, and the separation of controls across department, fraud may come to light in areas other than those in which they are committed.

FRAUD PROCEDURE

1. Reporting a Suspected Fraud

Reporting fraud according to the following procedure is mandatory for any employee who suspects that a fraud has occurred. Persons who cover up, obstruct, or fail to report (or monitor) a fraud that they become aware of, or ought to have been aware of, may be considered to be an accessory after the fact and may be subject to the Group's disciplinary procedures which could involve action up to and including dismissal. Persons who threaten retaliation against a person reporting a suspected fraud shall be subject to the disciplinary code which could include action up to and including dismissal or prosecution or both.

Great care must be taken in dealing with suspected dishonest or fraudulent activities to avoid:

- Alerting suspected individuals to an investigation underway;
- Treating employees unfairly; and
- Making statements that could lead to claims of false accusations or other charges.

Details of the incident, facts, suspicions or allegations should not be discussed with anyone inside or outside the Group unless the Group's investigating team specifically directs this. In particular, the matter should not be discussed with the individual suspected of fraud.