

ANTI-FRAUD POLICY

INTRODUCTION

The Company is committed to ethical behavior and values. It is amongst its first priorities to establish a corporate and working culture that enhances the value of ethics and promote the individual responsibility as well. To this effect, the company has established a Code of Business Conduct and Ethics, a Code of Conduct and Ethics for Corporate Officers and Directors and an Ethics and Compliance Policy, which set the highest standards for personnel conduct related to ethical behavior and alertness.

The cornerstone in preventing fraud is the creation of an environment that fosters morality, integrity and business conduct.

1. FRAUD DEFINITION

Fraud can be defined as: *“Any illegal acts characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the application or threat of violence or of physical force. Fraud is perpetrated by parties and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.”*

Fraud may involve:

- falsification or alteration of accounting records,
- misappropriation of assets or theft,
- suppression or omission of the effects of transactions from records or recording of transactions without substance,
- intentional misapplication of accounting policies or willful misrepresentation of transactions or of the entity's state of affairs,
- misapplying corporate or bank funds

Fraud may also involve manipulation of information system applications and data for personal advantage.

2. PURPOSE & SCOPE

The purpose of this document is to outline the responsibilities of all the involved parties with respect to fraud prevention, the actions to be taken if fraud is suspected and the mechanism of verifying suspicion of fraud, the reporting process and the recovery action plan.

3. RESPONSIBILITIES

AUDIT COMMITTEE

The Committee's duties and responsibilities are included in its Charter and included herein by reference.

The Audit Committee should ensure that the Company has put in practice an effective ethics and compliance program and is currently derived and defined by the relevant policy codes referred to herein. It should be stressed that fraud has been, frequently, attributed to the weaknesses or override of the internal controls. Therefore, the Audit Committee plays an important role by ensuring that the

Company has identified the key risk areas and internal controls adequately address and mitigate those risks.

OFFICERS AND KEY PERSONNEL

The management personnel of the Company constitute the front line of monitoring and preventing fraud. Managers are responsible to monitor business activities of employees and be aware of and alert to potential signs of fraud.

Management is accountable to “set the tone at the top”, point out the risks to which the operations and the systems are exposed, establish an effective system of Internal Controls, Governance and Risk Management process, and follow up systematically on the implementation of the Company’s procedures and policies.

STAFF

Staff is responsible to act at all times with the highest degree of honesty, integrity, accountability, and propriety. Staff should conduct their duties in a manner that does not jeopardize, to the contrary, safeguards the Company’s resources and assets. Staff shall comply with the Company’s Code of Business Conduct and Ethics, and the Code of Conduct and Ethics for Corporate Officers and Directors. If fraud, violation, unethical conduct or dishonest practice is suspected and/or verified, then it should be reported through the “Ethics and Compliance” Link and provide any required information during the investigation process.

INTERNAL AUDITOR

“The Internal Auditor should have sufficient knowledge to identify the indicators of fraud but is not expected to have the capacity of a person whose primary responsibility is detecting and mitigating fraud.”

The Internal Auditor is responsible to evaluate the adequacy of the internal control system, prioritize auditing activities in accordance with a documented risk assessment plan, and provide recommendations, through consulting and assurance activities.

4. FRAUD RESPONSE PLAN

The fraud response plan is a guide to follow in the event of fraud being discovered or suspected. Its purpose is to ensure that proper action is taken in case of fraud.

Any allegations of fraud, theft or other irregularity should be reported via the Ethics and Compliance link on the web site of the Company.

All allegations are reported anonymously, are treated as confidential and are directed to the Audit Committee, which will undertake any further investigation.

The Audit Committee is responsible to retain any relevant records, examine the allegations, and plan the investigation and deterrence of fraud. Deterrence of fraud lies with management. The Audit Committee will appoint a suitable person, internal or external, to investigate and ensure that the investigation is conducted in a professional manner. The Audit Committee and the management are responsible to secure the anonymity and prevent the harassment or discrimination of the people that make such allegations.

The results of the investigation should be reported directly to the Audit Committee, which will determine to whom should be communicated, including the Internal Auditor, the CFO, and the CEO. Upon conclusion of the investigation, an action plan should be agreed, enforced, documented, and distributed appropriately.

All records and reports of the investigation process should be under the custody of the Audit Committee, retained in a safe place with restricted access in the Company headquarters.

The Internal Auditor should be periodically informed of the progress and the final conclusions of any such investigation.

5. DISCIPLINARY / LEGAL ACTION

Proven fraud or suspected fraud which comes to light, whether perpetrated by a member of staff or by persons external to the organization, should be referred to the appropriate authorities, internally or externally, at the earliest possible opportunity.

6. PERSONAL CONDUCT

The personal conduct is governed by the Code of Business Conduct and Ethics, the Code of Conduct and Ethics for Corporate Officers and Directors and the Ethics and Compliance Policy.

7. FRAUD DETECTION / ETHICS & COMPLIANCE POLICY

Staff should be alert to the possibility that unusual events or transactions could be symptoms of fraud or attempted fraud. An "Ethics and Compliance" policy is in place and enables the reporting of fraud or other illegal actions. The "Ethics and Compliance" policy shall ensure that all employees have free access to which unbiased judgment is addressed and anonymity and confidentiality are maintained.