

CLASSIFICATION

Public

REFERENCE ID

TEC_IA_PP_Fraud Policy Statement

مجلس التوازن الاقتصادي
TAWAZUN ECONOMIC COUNCIL



تأسس عام 1992 EST.

Fraud Policy Statement

March 11, 2018

V. 1.0

1. POLICY STATEMENT

- 1.1 Tawazun Economic Council leadership and its Subsidiaries (**'The Group'**) are committed to implementing and maintaining the highest standard of corporate governance, fiduciary duty, responsibility, and ethical behavior. We are governed by three (3) corporate values: Integrity, Commitments, and Competence.
- 1.2 **The Group** is committed to an environment where open and honest communication is the norm, not the exception. Fraud and corruption can undermine the viability of our organizations, compromise the delivery of the services and breach the trust we proudly have among our stakeholders. In line with best practices, **The Group** is implementing procedures and specific controls to prevent and neutralize ethical misconduct, and shall continue to comply with all applicable and relevant legislation.
- 1.3 A **zero tolerance policy** is **The Group's** answer to Fraud. Fraud will not be tolerated under any circumstance. Appropriate disciplinary actions may be taken against any employee or external party involved if found of committing Fraud. All efforts will be made to recover assets misappropriated or losses suffered due to Fraud.

2. FRAUD

- 2.1 Fraud presents a significant risk to **The Group** and its employees. Fraud can also endanger **The Group's** existence and damage its local and international reputation. The dishonesty of a few individuals may negatively impact **The Group** and distort the principles and trust that exist between **The Group** and its stakeholders.
- 2.2 Fraud can take many forms that are normally characterized by some form of deliberate deception to facilitate or conceal the misappropriation of assets. The Group defines Fraud as a dishonest, unethical, irregular, or illegal act or practice which is characterized by a deliberate intent at concealment of a matter of fact, whether by words, conduct, or false representation, which may result in a financial or non-financial loss to **The Group**.

3. SCOPE

- 3.1 Fraud prevention and control is the responsibility of all employees and not just a few individuals or departments within **The Group**.
- 3.2 The policy applies equally to everyone in **The Group**, including members of the Board of Directors and Executive Management. In terms of corporate governance, this policy will be extended to all stakeholders who conduct business with **The Group**. This includes third party agents, representatives, consultants, contractors, suppliers, vendors, subcontractors, customers, partners and agents, etc.
- 3.3 All employees should take responsibility for ensuring that any party or individual that does business with **The Group** strictly adheres to the standards and principles of this policy.

4. WHISTLEBLOWER PROTECTION, RESPONSIBILITY AND WHERE TO REPORT FRAUD

- 4.1 All employees and agents of **The Group** who suspect Fraud has occurred, is occurring, or will occur within or in relation to **The Group** must report the matter through the **Tawazun Ethics Line (TEL)** channels (website or telephone). Reports should be made immediately as per the Group's Fraud Control and Whistleblowing Policies. Reporting actual or potential Fraud will not be considered an act of disloyalty, but an action which shows your sense of ownership, responsibility and loyalty to **The Group** and its stakeholders.
- 4.2 **The Group** will not take action against a person making an allegation in good faith and which is not confirmed via subsequent investigation. A report of a breach may be made by an employee without fear of harassment, demotion, dismissal, disciplinary action, remedial action, suspension, threats or any method of discrimination or retaliation by the company (whether employees, third party agents, representatives, consultants, suppliers, vendors, subcontractors, customers, partners, agents, etc.). No act of victimization against a whistleblower will be tolerated and the identity of the whistleblower will be kept in the strictest confidence.
- 4.3 Any malicious or false allegations may however, result in disciplinary action against the employee for making such allegations.