



FRAUD MANAGEMENT & PROCEDURE

POLICY

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Fraud Management Policy

1. Purpose of Fraud Policy

The Bank's Fraud Policy sets out the responsibility of employees and management in relation to reporting of fraud or suspected fraud within Beton Bauen. Though there is some overlap between this policy and the Bribery and 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 Bribery and / or Whistleblowing Policy's.

2. Scope of Fraud Policy

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

For the purposes of the policy, the term 'employee' includes individuals who work within Beton Bauen such as external consultants, contractors, agency personnel, and Customer specific contacts.

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 Beton Bauen.
- 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.
- 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 Bank's procedures with the aim of personal gain or to the detriment of the Bank;
- Wilful negligence intended to cause damage to the material interest of the Bank; and
- A dishonourable or reckless or deliberate act against the interests of the Bank.
- The changing of a customer/vendor bank details without a directors signature for authorisation (Form change document "A change of customer/vendors detail", must be completed)

FRAUD MANAGEMENT & PROCEDURE POLICY

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. Management have a particular responsibility to be familiar with and alert to the types of fraud that might occur and to put in place effective controls to avoid such occurrences. Management shall provide support to and work with the financial audits, 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 are responsible for taking appropriate corrective action to ensure adequate controls (NCR) are put in place to prevent reoccurrence of improper activity.

Managers shall be conscious that, given the widespread use of IT systems, fraud may come to light in other than their areas.

Fraud Procedure

1. Reporting a Suspected Fraud

Reporting fraud according to the following policy 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 disciplinary action 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 action 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 Beton Bauen unless the investigating team specifically directs this. In particular, the matter should not be discussed with the individual suspected of fraud. Fraud can be detected at any level, and the following will apply in the reporting of suspected internal or external fraud:

- An employee or other person who suspects that fraudulent activity is taking place should, in the first instance, report the matter to their line manager;

FRAUD MANAGEMENT & PROCEDURE

POLICY

- If an employee does not feel comfortable raising a matter with their line manager – due to the nature of the concern, its seriousness, or for some other reason – they can raise it immediately with a Senior member of the management team;
- In certain cases, it may be more appropriate to raise the matter with someone more senior (a Director), perhaps because of the seriousness or sensitivity of the matters concerned. If an employee wishes to speak to a director, they should raise this with a manager firstly.
- Concerns may be reported verbally or in writing. Where a concern is raised verbally the following steps are to be taken by the employee raising the concern to ensure that the concern raised is acknowledged by the recipient as received in the manner intended by the employee.

These steps are to ensure that the recipient is clear that what is intended as a concern about suspected fraud is not construed by the recipient as a passing or casual comment.

2. The employee raising the concern sends a written communication to the recipient. The written communication confirms:

- a. the fact that a concern about suspected fraud was raised (details of the suspected fraud need not be included, just the fact that a concern is raised);
- b. that a written acknowledgement from the recipient to the employee is required.

3. The recipient responds with a written communication acknowledging receipt of the concern.

- Once a report of suspected fraud is made to a supervisor/manager, that person is required to pass that information promptly to a director.
- The Director on receipt of a report of a suspected fraud are required, in turn, to report the matter promptly to the Compliance Manager and Finance Director.

Procedure for the Investigation of Alleged Fraud


No investigation of a suspected fraud should take place until the Director and compliance Manager has been informed.

The Finance Director will take the lead when fraud investigations are being conducted. This will involve data collection, analysis, and intervention, including the review of internal controls. In circumstances where the investigation requires the use of technical expertise, external specialists may be appointed to lead or to contribute to the investigation.

FRAUD MANAGEMENT & PROCEDURE POLICY

The Finance Director will conduct an initial investigation to gather information and reach a preliminary view as to whether further action is required. They will report the findings, conclusions, and any recommendations.

- **Employees** who are under investigation shall be entitled to have an employee or another appropriate individual present during the course of any interview that is conducted in connection with the alleged fraud or related dishonest activity, with a view to defending their case.
- **Interested Parties;** Under no circumstances, a change of banking details can be changed, updated or removed with the signature of a director.

Signed: 

Position: Compliance Manager

Date: 05/01/2026