



Fraud Policy

Energy for a brave new world



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Ijora, Lagos, Nigeria.

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Change Record

| Version | Date | Description |
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| 1.0 | December 2012 | First Version |
| 2.0 | December 2013 | Second Version |
| 3.0 | December 2014 | Third Version |
| 4.0 | December 2015 | Fourth Version |
| 5.0 | December 2017 | Fifth Version |
| 6.0 | June 2018 | Sixth Version |
| 7.0 | July 2019 | Seventh Version |

INTRODUCTION

This policy issued by the Business Assurance and Compliance (BAC), has been approved by the Executive Management, Board Audit Committee and applies to management and staff of Arдова Plc.

The fraud policy is established to help in the development of controls that will aid detection and prevention of fraud against Arдова Plc. It is the intent of Arдова Plc to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

In line with our company values of being open and having integrity, we are committed to the prevention of fraud and the promotion of an anti-fraud culture. Arдова Plc operates a zero- tolerance attitude to fraud and always requires staff to act honestly with integrity and report all reasonable suspicions of fraud.

All cases of actual, attempted and suspected fraud against Arдова Plc will be investigated. Perpetrators will be subjected to disciplinary actions including but not limited to termination of appointment, dismissal and /or legal action.

SCOPE

This policy applies to any irregularity or suspected irregularities, involving employees as well as any shareholders, customers, consultants, vendors, contractors, and/or any other parties in a business relationship with Arдова Plc. Any investigative activity will be conducted without regard to a person's position, title, length of service and relationship with Arдова Plc

POLICY

Every employee is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. The term Fraud is intentional, false representation, concealment of a material fact or the use of deception to deprive, cause any disadvantage or loss to another person or party.

Fraud can be:

- Internal (committed by somebody within the organization against the organization).
- External (committed by an external party targeting the organization).
Perpetrated via collusion between internal and external parties.

Actions constituting fraud include but not limited to:

- Misappropriation of client or company funds or other assets;
- Falsified or exaggerated expense claims; theft of company equipment or resources; issuance of falsified documentations; collusion with vendors or customers;
- Offering customers/clients incentives/products they are not entitled to
- Recording sales in the wrong period to manipulate financial/sales performance data; profiteering as a result of insider knowledge of company activities;
- Unauthorized disclosure of confidential and proprietary information to outside parties;
- Accepting or seeking anything of material value or gifts to favour third parties. (Please refer to the Gift Policy).
- Knowingly generating false invoices or purchase orders;
- Any other similar or related irregularities.

If there is any question as to whether an action constitutes fraud, contact **Olugbenga Olorunnisola** for guidance.

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KEY RESPONSIBILITIES:

Staff members are responsible for:

- Ensuring that Ardova Plc's reputation and assets are protected against fraud.
- Reporting known or suspected fraud;
- Assisting in the investigation of suspected fraud;
- Demonstrating awareness of the risk that external parties may attempt to use Ardova Plc for fraud purposes.

BAC is responsible for:

- Regularly reviewing Ardova Plc's fraud policy to ensure it remains effective and relevant to the needs of the business;
- Investigating all allegations of fraud and ensuring relevant parties from across central functions are consulted e.g. Legal & Human Capital management for disciplinary action.
- Making recommendations to the business regarding improvements to the control environment to prevent re-occurrence of a confirmed fraud;
- Reporting to appropriate management and to the Board of Directors through the Audit Committee.

HODs/ Line Managers are responsible for:

- Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud;
- Familiarising themselves with the types of fraud and dishonesty that might occur within their business units;
- Monitoring and ensuring compliance with internal controls and agreed policies and procedures;
- Notifying the Head, BAC of any indications of fraudulent activity or loopholes.

REPORTING SUSPICIONS

Staff **MUST** immediately report concerns about any actual, attempted or suspected fraud to their Line Manager or Head of Department. Alternatively, if this is not appropriate or possible, the Head, BAC or Company Secretary can be contacted directly. All concerns raised will be treated as confidential. (Please refer to our Whistle Blowing Policy).

No investigative work is to be done within the business units. Business Units should consult with BAC in the first instance and should take no action until specific instructions have been received. This includes decisions to prosecute or refer situation to the appropriate law enforcement agencies i.e. Police and/or other regulatory agencies for independent investigation.

If a business unit identifies a fraud attempt against Ardova Plc by external parties, the Head, BAC should be contacted immediately, who will then advise as to the appropriate course of action.

Staff **MUST NOT** attempt to investigate fraud themselves prior to consulting the Head, BAC.

FRAUD RESPONSE PLAN

All investigations where internal parties are suspected of involvement in fraudulent activity will be conducted by BAC, as appropriate, given the individual circumstances. BAC will provide advice as to other functions which needs to be consulted. (E.g. Legal, Human Capital Management).

All staff are expected to cooperate fully with the members of the investigation panel and provide the panel with any information it may reasonably require for the performance of its investigation. Information provided will be handled and maintained with full confidentiality.

The outcome of any investigation conducted will be treated as confidential and will only be discussed with anyone who has legitimate need to know. This is to avoid damaging the reputation of persons suspected but subsequently found innocent of wrongful conducts and to protect the Company from potential liability.

In cases of suspected fraud by external parties, the Head of BAC will advise of the appropriate course of action. This may involve investigations being conducted at specific locations, but actions should not be taken until BAC gives approval. BAC will

also make sure that such attempts are communicated across all business units, as appropriate given the individual circumstances, to mitigate the risk of similar attempts in against other business units.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

Members of the investigation panel will have:

- Free and unrestricted access to company records and premises, both rented and owned and;
- The authority to examine, copy, and/or remove all or portions of content of files, desk, cabinets and other storage facilities on the premises with the knowledge and consent of any individual who oversees custody of such items when it is in the scope of their investigation.

TERMINATION

If an investigation results in a recommendation to terminate a staff member, the recommendation will be reviewed by Human Capital Development and Legal Department and if necessary, by external counsel to the company before appropriate action is taken.

BAC does not have the right to terminate an employee. The decision to recommend an employee for termination is made by the disciplinary panel. Should BAC believe the panel's decision is inappropriate for the facts presented, it will be presented to the Executive Management for a decision.

CONTACT DETAILS

Any queries or concerns regarding this policy, or appropriate action in response to suspected fraudulent activity should be directed to;

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APPROVAL

CEO