

# ANTI- CORRUPTION AND FRAUD POLICY

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## **1. INTRODUCTION:**

1.1 Corruption and fraud are illegal and unethical. They destabilize communities, undermine the rule of law, and pose serious threats to sustained economic progress and the healthy operation of markets. Failure to address the risk of corruption and fraud may undermine the Company reputation and lead to investigations, fines and/or other penalties for the Company and/ or individuals.

1.2 AlMahara does not engage in corruption or fraud and never pays bribes, regardless of local custom or practice. AlMahara's position on corruption and fraud is clear: the offer, payment, authorization, solicitation and acceptance of bribes and other improper advantages is unacceptable. AlMahara is committed to doing business ethically and in compliance with the law.

1.3 This Anti-Corruption and Fraud Policy (the “**Policy**”) sets out AlMahara's approach to the prevention of bribery, fraud and other forms of corruption.

## **2. POLICY OVERVIEW:**

2.1 AlMahara prohibits corruption, fraud and Improper payments in all its business dealings throughout the country. AlMahara and its employees must not directly or indirectly, offer, authorize, request, give or receive anything of value to or from any person or organization to obtain or retain business or influence a decision or action.

2.2 Employees also must not participate in or allow corruption or fraud to influence a business decision or gain an undue business advantage.

2.3 Objectivity, fairness, transparency and diligence are key to avoiding corruption and fraud in AlMahara's business dealings. Employees must exercise appropriate oversight over their area of responsibilities and maintain adequate internal financial controls and keep accurate books and records so as not to allow bribes or other improper payments to occur and be disguised as legitimate business expenses.

## **3. SCOPE OF POLICY:**

3.1 This policy applies to every employee, director, officer as well as manager under AlMahara's supervision, working for a AlMahara office or industrial asset directly or indirectly controlled or operated by AlMahara s and other persons subject to an employment-type relationship with AlMahara (the “**Employees**”).

3.2 AlMahara assert its influence to encourage others to act in a manner consistent with its Values and Code.

## **4. DEFINITIONS:**

4.1 The following terms have the following meanings:

- Corruption: The abuse of power or position for personal gain.
- Fraud: Any activity that relies on deception in order to achieve a gain.

- Bribe: Anything of value, including any financial or other advantage, offered, provided, authorized, requested or accepted in order to improperly influence any person's action, inaction or decision, whether the person is a public official or a private individual.
- Gifts: Any items of value or benefits exchanged at no cost.
- Entertainment: Any activity offered or received for free - or at less than market price - including (but not limited to) meals, travel, accommodation, recreational activities and hospitality.
- Facilitation Payment: Any payment, however small, to expedite or to secure the performance of a routine governmental action.
- Public Official: an officer, employee or representative of a state or a state-controlled or -owned entity, which includes:
  - any officer, employee or representative of any national or local government institution.
  - any person holding a legislative, administrative or judicial position of any kind.
  - any officer, employee or representative of a public international organization.
  - any officer, director, employee or representative of any state-owned or -controlled enterprise or company.
  - any officer or representative of a political party, or
  - any candidate for a political office.

## **5. OUR COMMITMENT:**

5.1 AlMahara does not tolerate bribery or fraud of any kind, whether to a public official or a private individual. AlMahara does not offer, provide or authorize bribes or fraud of any kind, including facilitation payments, either directly or indirectly, to a public official or a private individual. AlMahara does not request or accept bribes or fraud of any kind, either directly or indirectly. A bribe may be monetary or non-monetary, tangible or intangible.

5.2 A bribe may take the form of, or be facilitated through:

- payments of money.
- gifts or entertainment.
- discounts, loans and/or financing given on non-commercial terms.
- rebates or kickbacks in relation to services provided.
- overpayments to business partners.
- use of assets at a discount or free of charge.
- sponsorships, charitable contributions and community investments.
- political contributions.
- employment or internships, or
- information or assistance.

5.3 Frauds are broadly classified into Internal and External Frauds which are defined below:

- Fraud carried out by individual(s) employed by the AlMahara is called Internal Fraud; and

- Fraud committed by an external party against the business of AlMahara is referred to as External Fraud.

5.4 Fraud normally includes the following acts, although the list is not exhaustive:

- Misappropriation;
- Misrepresentation: whether financial or non-financial statements.
- Illegal gratuities.
- Misconduct:
  - Breach of internal policies and procedures; and
  - Breach of applicable Laws, rules, regulations, notices and the standards.
- Any other deliberate deception for unlawful personal gain.

5.5 To manage AlMahara's bribery, fraud and corruption risk, it implements a range of procedures and controls relating to dealings with public officials, gifts and entertainment, its business partners, sponsorships and donations, political contributions and record keeping.

5.6 AlMahara remains alert to corruption fraud and bribery red flags and reports them to Compliance.

## **6. PUBLIC OFFICIALS:**

6.1 Dealing with public officials brings a higher risk of fraud or corruption. AlMahara is especially careful when communicating with public officials, exchanging gifts and entertainment with public officials or providing assistance to public officials.

## **7. FACILITATION PAYMENT:**

7.1 In certain circumstances, public officials may request small payments, known as facilitation payments to expedite or to secure the performance of a routine governmental action such as issuing permits, licenses, or other official documents; processing government papers such as visas; providing customs clearances; providing police protection; providing utility services; or handling cargo.

7.2 Facilitation payments are a form of bribery. AlMahara does not pay, or authorize the payment of, facilitation payments. If AlMahara is asked to make a facilitation payment, it must not pay and shall inform Compliance immediately.

## **8. PAYMENTS MADE UNDER DURESS AND EXTORTION:**

8.1 AlMahara prioritizes the physical safety and well-being of all its Employees. If AlMahara's welfare or safety is at risk, it takes reasonable steps to remove its self from danger. In exceptional circumstances, this may include making a payment to a public official to ensure its safety in the situation. AlMahara must report any such incident to Compliance as soon as possible.

## **9. GIFTS AND ENTERTAINMENT:**

9.1 The proper management of the giving and acceptance of gifts and entertainment is key to avoiding the risk they present of actual or perceived bribery, fraud or corruption.

9.2 AlMahara only gives or accepts gifts and entertainment that are:

- in good faith, occasional, reasonable and appropriate
- a normal business courtesy, and
- transparent.

9.3 AlMahara doesn't give or accept gifts and entertainment:

- with the intent or prospect of influencing decision-making or other conduct
- with the intent obtaining any improper or undue advantage
- which are reasonably capable of being regarded in any way as a bribe, or
- in the form of cash, which includes pre-paid cards or gift cards which can be redeemed for cash.

## **10. SPONSORSHIPS, CHARITABLE CONTRIBUTIONS AND COMMUNITY INVESTMENTS:**

10.1 AlMahara does not make a sponsorship, charitable contribution or community investment in order to disguise a bribe, or to gain an improper business advantage.

10.2 AlMahara ensures that before it enters into sponsorships, community investments or make charitable contributions it conducts a risk-based due diligence. AlMahara monitors the appropriate use of its funds or resources when required.

## **11. POLITICAL CONTRIBUTIONS:**

11.1 AlMahara does not seek to influence the political process by improper, corrupt or fraudulent means. To mitigate this risk, AlMahara does not contribute any funds or resources towards any political campaign, political party, political candidate or any politically affiliated organization.

## **12. BUSINESS PARTNERS:**

12.1 AlMahara expects its business partners to share its commitment to ethical and responsible business practices. AlMahara never authorizes a business partner to engage in fraud, bribery or corruption on its behalf.

12.2 AlMahara takes care to know who its business partners are by implementing a risk-based 'Know Your Counterparty' programme.

12.3 To manage its bribery, fraud and corruption exposure associated with its business partners, AlMahara implements a range of controls and processes including screening, due diligence and monitoring, using a risk-based approach.

12.4 AlMahara implements additional controls with regards to high-risk business partners, such as business developers, consultants or advisers interacting with public officials on its behalf.

AlMahara conducts a detailed risk-based assessment prior to entering into these types of relationships, in order to identify, assess and mitigate the fraud and corruption risk presented by the engagements. Where appropriate, AlMahara also conducts ongoing monitoring and regular review of its high-risk business partner relationships.

12.5 In respect of mergers and acquisitions, AlMahara conducts thorough pre-acquisition due diligence and thereafter incorporate the AlMahara Group Compliance programme for those entities it controls or operates.

### **13. MERGERS AND ACQUISITIONS:**

13.1 When considering entering into a merger or acquisition, AlMahara conducts a risk-based due diligence to understand any fraud, bribery and corruption risks associated with the transaction and take steps to address any identified issues. Where AlMahara acquires the right to control or operate a business, it promptly implements this policy, associated procedures and controls.

### **14. ACCURATE RECORD KEEPING:**

14.1 AlMahara ensures all transactions are accurately recorded in its books and records in accordance with its procedures and reflect the nature and substance of the transaction.

### **15. TRAINING**

15.1 Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.

### **16. SPEAKING OPENLY:**

16.1 AlMahara and all its Employees are responsible for ensuring that everyone meet its commitments. AlMahara expects its Employees to speak openly and raise concerns about possible breaches of the Code of Conduct (the “**Code**”) and this policy with their manager, supervisor or via other available reporting channels. AlMahara takes concerns seriously and handles them promptly.

16.2 AlMahara has zero tolerance for retaliation against anyone who speaks openly about conduct they believe is unethical, illegal or not in line with its Code and policies, even if the concern isn’t substantiated, as long as they have not knowingly made a false report.

### **17. NON-COMPLIANCE**

17.1 AlMahara enforces a zero-tolerance approach on all forms of fraudulent and corrupt practices committed by Employees or business partners. Engaging in fraudulent and corrupt practices will result in a breach of the Code, and consequences will apply up to and including termination of employment. In addition, violating anti-corruption and -fraud laws can have severe consequences for both AlMahara and Employees involved.

## **18.REPORTING SUSPECTED VIOLATIONS**

18.1 Information on potential non-compliance with this Policy by AlMahara, its Employees, or any business partner with whom AlMahara conducts or anticipates conducting business must be reported promptly. Employees can report suspected misconduct to their manager, representative or AlMahara's compliance.

## **19. CONSEQUENCES:**

19.1 AlMahara's policies support its values and Code and reflect what is important to it. AlMahara takes breaches of its policies seriously. Depending on the severity of the breach, consequences may range from a warning to termination of employment.