

Policies



MONEYMASTER
PAYMENT SERVICE BANK
RC 1618678

Fraud Policy

1. Introduction

The corporate fraud policy is established to facilitate the development of controls which will aid in the prevention, detection and investigation of fraud against the company.

This policy covers the following:

- The prevention, detection and management of fraud
- Fair dealing in matters pertaining to fraud.

2. Objective

The key objectives of the company's policy are:

- Development of a suitable environment for fraud management
- Maximum deterrence of fraud
- Successful prevention of fraud which cannot be deterred
- Professional investigation of detected fraud
- Effective sanctions, including legal action against people committing fraud
- Effective methods for seeking redress in respect of money defrauded.
- It aims to raise the awareness of fraud and its prevention in the company environment and to give guidance to both the reporting of suspected fraud and how the investigation of that report will proceed.

The purpose of this policy is:

- To clearly state the company's position regarding fraud
- To establish a protocol for reporting incidences of fraud and irregularities

3. Policy Application

This policy applies to the following: all staff of the company i.e. permanent staff, casual staff, temporary staff, trainees, interns, contractors and secondees.

This policy should be read in conjunction with the company Whistleblowing Policy.

4. Scope of Policy

This policy applies to any fraud, or suspected fraud, involving staff of The company limited as well as shareholders, consultants, suppliers, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the company (also called the Company). Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

5. Policy Statement

Everybody has a responsibility in respect to the fight against fraud and other illegal acts. The company Limited is committed to ensuring that a fraud free environment exists and high ethical standards are upheld in the organization. It is everybody's responsibility to prevent and detect fraud, misappropriations, and other inappropriate conduct.

6. Actions Constituting Fraud

6.1 Definition

Fraud is defined as all those activities involving dishonesty and deception that can drain value from a business, directly or indirectly, whether or not there is personal benefit. Fraud may include, but is not limited to:

- Any dishonest act
- Forgery or alteration of any document or account belonging to the Company
- Forgery or alteration of a cheque, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons activities engaged in or contemplated by the company
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Company.

Exception: Gifts of nominal value of a promotional nature in keeping with the Company's Gift Policy.

- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

6.2 Other Inappropriate Conduct

Suspected improprieties concerning an employee's moral or behavioural conduct, should be resolved by departmental management and the Human Resources department rather than Risk Management.

If there is any question as to whether an action constitutes fraud, the Fraud Manager should be contacted for guidance.

7. Investigation Responsibilities

Any employee who suspects dishonest or fraudulent activity will report the same as provided for under the Whistleblowing Policy immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.

The Chief Risk Officer has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Investigating team will make every effort to keep all investigations confidential; however from time to time other members of the management will need to be consulted during the investigations.

If the investigation substantiates that fraudulent activities have occurred, a report will be issued to appropriate designated staff. Decisions to invoke disciplinary procedures and/or prosecution or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the Chief Executive Officer as will final decisions on disposition of the case.

Once a suspected fraud is reported, immediate action to prevent the theft, alteration, or destruction of relevant records will be effected. Such actions include, but are not limited to:

- Removing the records and placing them in a secure location
- Limiting access to the location where the records currently exist
- Preventing the individual suspected of committing the fraud from having access to the records.

The records must be adequately secured until the Fraud Manager obtains the records to begin the investigation.

8. Confidentiality

The Fraud Function treats all information received with utmost confidentiality. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

9. Authorization for Investigating Suspected Fraud

When it is within the scope of their investigation members of the Investigating team have:

- Free and unrestricted access to all Company records and premises, whether owned or rented;
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities.

In cases where documents are to be removed the same should be done in front of a witness and an inventory taken and signed by all parties present. A copy of the inventory should be left with the custodian's Manager. At the conclusion of the investigations the documents removed should be returned/ restored in full and the parties involved confirm the same.

10. Reporting Procedures

10.1 Reporting of suspected fraud

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. Any Staff member who has knowledge of an occurrence of fraudulent conduct, or has reason to suspect that a fraud has occurred should report the suspected act immediately as provided for in the Whistleblowing Policy.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the Fraud Function.

10.2 Reporting after investigations

All reports will be taken seriously and will be investigated by the Fraud Function. If deemed necessary, the company will notify law enforcement agencies. Any investigation resulting in the finding of fraud or corruption will be referred to The company's HR Division for action with recommendations from the Chief Risk Officer.

Fraudulent or corrupt activities that result in disciplinary action will be reported to the Chief Executive Officer.

10.3 Termination of employees

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Chief Human Resources Officer and the respective Chief Officer.

The final decision to terminate an employee is made by the Chief Executive Officer.

11. Amendments

The Executive Committee reserves the right to change the terms of the above policy at any time. Notice will be given to employees of the changes if and when they occur.