

Group Fraud Risk Policy

Introduction

This Group Fraud Policy (hereinafter the Policy) confirms and summarises the responsibilities applicable to all Beck & Pollitzer associates¹. It sets out the steps to be taken to prevent, detect, and report fraud and describes actions to which those who engage in such conduct will be subject.

Purpose

This Group Fraud Risk Policy is to define Beck & Pollitzer stance on fraud and related activities; establish a framework for preventing, detecting, and responding to fraud; and to promote ethical behaviour, accountability and integrity across the organisation. This policy is supplemented by the Whistleblowing policy, which focuses on reporting allegations of suspected improper activities and defines the fundamental elements of the whistleblowing system (governance, operational steps and core principles). This policy extends to conduct by third parties (e.g. partners, vendors, contractors, consultants and agents), whenever such conduct involves the misuse of Beck & Pollitzer funds or other Beck & Pollitzer property or could be attributed to Beck & Pollitzer.

Definition of Fraud

Fraud includes, but is not limited to, misappropriation of assets or funds, forgery, falsification or alteration of records; corruption, bribery or conflicts of interest; fraudulent financial reporting; any act intended to deceive, gain an unfair advantage, or cause loss to the organisation.

The three primary types of fraud that are covered by this policy² are:

- Fraudulent financial activity which includes:
 - Making financial misstatements (e.g. falsifying accounting records, creating fictitious customer, employee or vendor records);
 - Improperly using financial information (e.g. using inside information for personal gain); and
 - Creating fraudulent revenues or savings (e.g. to increase bonus eligibility or obtain a promotion).
- Misappropriation or misuse of Beck & Pollitzer assets which includes:
 - Theft of money or property, including misusing cash disbursements for improper or unauthorised purposes;
 - Embezzlement;
 - Creating false or fraudulent expense reports; and
 - Falsely claiming overtime or leave.
- Abuse of position occurs when a director, officer, employee of Beck & Pollitzer, uses his or her position at Beck & Pollitzer for his/her own benefit or for the benefit of someone else contrary to his/her duty to Beck & Pollitzer or the rights of a third party. Abuse of position may consist of an omission as well as an act and includes:
 - Steering business opportunities to entities in which the Beck & Pollitzer director, officer, employee, has a personal interest
 - Granting discounts to friends, relatives or associates; and
 - Engaging in other conduct that is tainted by a conflict of interest.

Policy Statement

Beck & Pollitzer operates a zero-tolerance approach to fraud, corruption, and misuse of company assets. Any confirmed breach will result in disciplinary action up to and including dismissal, and may lead to civil recovery and/or criminal referral. All employees and stakeholders are expected to:

- (1) Act honestly and with integrity;
- (2) Report suspected fraud immediately;

¹ Associates are directors, officers and employees of any legal entity of the Beck & Pollitzer Group. In this definition, employees are all Beck & Pollitzer Group employees, without distinction relating to their function or grade, whether they are permanent or temporary employees, trainees, personnel under apprenticeship or work experience contracts, or personnel employed by temporary agencies or seconded to the sites.

² Corruption is covered in the dedicated Anti Bribery Policy

(3) Co-operate fully with investigations.

The organisation will take appropriate action, including disciplinary measures and legal action, against anyone found to have committed fraud.

Roles and Responsibilities

Role	Responsibility
Group Leadership Team/ Audit Committee	Oversight of the fraud risk management framework and approval of this policy.
Leadership Team/Management	Implement controls, monitor risk, and respond to suspected fraud.
Employees & Contractors	Follow policy, report suspicious activity, and maintain ethical standards.
Internal Audit/Compliance	Conduct fraud risk assessments, investigations, and recommend controls.

Main Internal Controls

The program that Beck & Pollitzer has adopted to deter, detect, and remediate fraud is comprised of four fundamental elements:

- Instilling core values throughout Beck & Pollitzer;
- Regularly assessing the risks of fraud and implementing specific deterrent measures;
- Creating a structure for reporting and investigating instances of possible fraud;
- Remediating any fraud that has occurred.

Beck & Pollitzer Core Values

Beck & Pollitzer core values are described in the Beck & Pollitzer code of business conduct and Ethics handbook and are designed to ensure that Beck & Pollitzer associates and those purporting to act in that capacity, comply in their daily activities with applicable laws and also the high standards of accountability, integrity, fairness and openness to which Beck & Pollitzer is committed.

Reflecting these values is an individual as well as shared responsibility, with an added measure of responsibility resting upon managers who, by virtue of their position, must be especially attentive to these values.

Fraud Risk Management

Prevention

- Maintain a strong internal control environment.
- Conduct due diligence for employees, contractors, and suppliers.
- Provide regular fraud awareness training.

Detection

- Establish monitoring and reporting mechanisms.
- Encourage employees to report concerns via the whistleblowing/email.
- Perform periodic audits and data analytics to identify anomalies.

Response

- Investigate all reports promptly and confidentially.
- Document findings and corrective actions.
- Report material fraud incidents to senior management and, if necessary, regulators.

Reporting Mechanisms

The following steps should be followed in the event of a suspected or proven fraud:

A) Initial Report

- Any associate who becomes aware or suspects in good faith that fraud has occurred, is occurring or may occur in the future has an obligation to report his/her concern to his/her direct line manager (or to upper management level) and to the Group Head of Risk & Internal Audit (systematically, no matter the amount at stake). If the associate is uncomfortable sharing his/her concerns directly with his/her management, he/she should raise the issue through the whistleblowing platform³, (Whistleblowing hotline/ QR code on "Speak Up" posters connect to an online portal).
- No associate will be penalised for making a good faith report of possible fraud, even if, after further investigation, no fraud is found to have occurred.
- The Initial Report should include all facts and evidence the person making the report possesses.

B) Review of the Initial Report

- Special care will be taken to protect the confidentiality of the Initial Report, which will be communicated within Beck & Pollitzer only on a strict need-to-know basis.
- Group Head of Risk & Internal Audit analyses the report and ensures it is not frivolous (i.e. supported by facts and in scope for the fraud investigation).
- The Group Head of Risk & Internal Audit decides whether a full investigation is needed.

C) Investigation of the reported facts

- The Investigation team is designated by either the regional management or the Group Head of Risk & Internal Audit depending on the scale of the investigation.
- The Investigation team oversees investigating all facts mentioned in the initial report by conducting interviews and reviewing any material available.
- The investigation Team prepares a formal investigation report which includes work performed and conclusions and submits it to the regional management and Group Head of Risk & Internal Audit.
- The Regional management and Group Head of Risk and Internal Audit review the investigation report and conclude on the reported case.
- The cost of the investigation will be borne by the Region or the Function where the fraud occurred.

D) Fairness and confidentiality

- The person in charge of conducting the investigation must be careful not to assume from the outset that a Beck & Pollitzer associate is guilty of fraud or act in a way that would affect a person's reputation before all the facts have been properly obtained and reasonable conclusions have been reached.
- Those who learn of an internal investigation are prohibited from disclosing any information concerning the related investigation to anyone not specifically authorised to receive such information. Any questions in that connection should be directed to the Group Head of Risk and Internal Audit.

E) Cooperation

- Beck & Pollitzer associates must cooperate fully with any investigation and provide any documents or information requested. That includes complying with any document preservation instructions that have been distributed and permitting copies of documents, emails and other materials stored on the office computer/laptops or any other communication device that Beck & Pollitzer has given to them for business purposes.
- Failure to cooperate can lead to disciplinary sanctions.

F) Legal Privilege and data protection

- The Investigation Team will take whatever steps are required to preserve confidentiality and comply with any laws that may be implicated, including applicable data protection and employment laws.
- If needed, external advisors may be appointed to assist in the investigation and/or preserve legal privilege.
- The Investigation Team shall liaise with IT and take appropriate steps to ensure that any document destruction policies in place are suspended pending the completion of the

³ A dedicated procedure and tool, described in the Whistleblowing Policy have been implemented and applied throughout the Group

investigation. If a full investigation is determined to be needed, the preservation of legal privilege typically will be even more important than it was at preliminary stages of the matter.

- Depending upon the geographic area or areas involved, the preservation of legal privilege may or may not require to retain outside counsel for the investigation.

Remediating Fraud

The main steps to be followed are:

- Immediately stop the behaviour;
- Implement the appropriate discipline measures;
- Reviews the relevant control breakdowns, examining root causes that led to the unethical behaviour;
- Recommend processes to enhance controls and mitigate future risk;
- Strengthen oversight of transactions determined to be most-at-risk;

To remediate fraud, all previously described fundamental elements must be implemented (i.e. core values, regular assessment of fraud risk and implementation of specific deterrent measures, a dedicated reporting and investigation process).

Actions taken against violators

Any individual who has engaged in fraud will be subject to a combination of the following actions:

- **Disciplinary Actions:** Beck & Pollitzer is committed to taking every necessary measure, including dismissal of any individual who has engaged in fraud. Any Beck & Pollitzer associate who is suspected of having engaged in fraud will be given an opportunity to be heard before Beck & Pollitzer takes any disciplinary action which should be managed by the CEO, if needed.
- **Full Restitution and recovery:** Beck & Pollitzer will seek full recovery of any funds or other assets that have been obtained fraudulently by a Beck & Pollitzer associate.
- **Criminal investigation and further legal actions:** Beck & Pollitzer general guiding principles lead to report criminal activity to the relevant authorities and assist the authorities in investigating and prosecuting individuals who are suspected of fraud or other criminal conduct. If fraud has occurred, Beck & Pollitzer may decide to initiate criminal proceedings as provided by the applicable laws and regulations and/or a civil proceeding against those who have engaged in fraudulent conduct.

Record Keeping / Data Retention

The retention of the information provided by a whistleblower is compliant with the EU General Data Privacy Regulation (GDPR). This means complying with the following:

- If the report is made by phone on the whistleblowing hotline: the discussion over the phone with the Safe call operator is not recorded.
- Once the investigation is over:
 - o If the alleged violation(s) is/are not confirmed: the entire report should be anonymised within 2 months.
 - o If the alleged violation(s) is/are confirmed (and if a disciplinary action is decided); the relevant information may be retained for the purpose of potential litigation.

Review and Continuous Improvement

This policy and associated procedures will be reviewed annually or following any significant fraud incident, to ensure effectiveness and alignment with regulatory requirements.

This policy aims to comply with all relevant applicable laws.



Simon Harris
Group CFO

On behalf of the Board of Beck & Pollitzer Limited