



FRAUD PREVENTION POLICY

What is Fraud?

Fraud is the crime of obtaining money, other assets or benefits for personal gain by deliberate deception, dishonesty or unethical behaviour. It normally results in the draining of tangible and/or intangible value from an entity. Tangible examples include cash and other physical assets, while intangible examples comprise intellectual property, image and brand.

GNDT's Approach to Fraud

The direct responsibility of management at all levels is to implement systems and controls to prevent and detect fraud and corruption, and this forms the departure point of the plan.

Corporate Culture and Code of Ethics

The King Report refers to a company's code of ethics as the principles, norms and standards it promotes for guidance and conduct of its activities, internal relations and interactions with external stakeholders. In this regard, companies are expected to instil a culture of conduct based on generally accepted standards of behaviour.

Measures to reduce the probability of fraud

A proactive approach to create an environment that promotes honest and open corporate staff behaviour must be followed. Management at all levels, with the Audit and Risk as the oversight function, must ensure that the following measures are in place:

- i) Effective controls to safeguard the assets and intellectual property of the Company. Responsibilities must be unambiguously assigned to effect these and other controls, to prevent and manage the incidence of fraud.
- ii) Statutory and internal audits focused on likely areas of fraud, to be performed to test fraud probability reduction measures (internal controls).
- iii) Pre-screening of staff.
- iv) Annual disclosure of interests by staff.
- v) Maintenance of a courtesies register
- vi) Encouragement of personnel to speak out when they have concerns.
- vii) Training of all employees on fraud awareness and to whom suspected fraud should be reported. Material for training should include the contents of this Fraud Prevention Plan.

Reaction and Investigating

GNDT Heavy Equipment LLC will maintain a policy of zero tolerance towards fraud and, without exception, quickly react to all suspected incidents of fraud. Well established and streamlined investigation procedures must be followed to minimize exposure to losses and these should be consistent at all levels of employment in the organization.

Managing Director
E. Venter

