

OOREDOO PALESTINE

FRAUD GOVERNANCE

POLICY

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1. Policy Objective

Ooredoo Palestine (OP) (hereinafter also known as “Ooredoo” or “the Company” for the purpose of this Policy) is committed to conducting business in an ethical and a transparent manner.

Fraud can be very expensive and therefore fraud risk should be minimized by taking a systematic and considered approach to its management. This Policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud.

It is intended to ensure that customers, employees, contractors, third parties and other stakeholders are made aware of potential risks of frauds. Further, they are encouraged to identify and report any red flags which indicate fraudulent behavior.

This Policy is intended to communicate the expectations of the Board of Directors and Senior Management regarding fraud related matters, create awareness amongst the employees and other stakeholders about fraud risks and to assign responsibility for fraud management, prevention, detection and response.

2. Scope

This Policy applies to any irregularity, or suspected irregularity, involving employees including permanent employees, contractual staff, temporary staff, trainees, probationers as well as board members (hereinafter referred to as “Employees” for the purpose of this Policy), at its workplace or client sites.

This shall also apply to acts of shareholders, customers, vendors, consultants, contractors, any agencies having a business relationship with Ooredoo and employees of such vendors, contractors or agencies.

Any irregularity / suspected irregularity noted and / or reported shall be investigated by the Company irrespective of the suspected wrongdoer’s length of service, position / title or relationship with the Company.

3. Actions constituting Fraud

In general, fraud is defined as any intentional act or omission designed to deceive others, resulting in the Company suffering a loss and/or the perpetrator achieving a gain. The terms of misappropriation, irregularities refer, but are not be limited to:

- Fraudulent misrepresentation or concealment of material facts.
- Misappropriation, destruction or inappropriate use of Company funds, securities, supplies, records or other assets (including fraudulent disbursements).
- Impropriety in the handling or reporting of money or financial transactions.
- Theft or leakage of confidential and proprietary information to outside parties.
- Bid-rigging schemes resulting in non-competitive bids and can be performed by employees, by firms in an orchestrated act of collusion or by employees fraudulently assists a vendor in winning a contract. Bid-rigging schemes can be categorized based on the phase of bidding at which the fraudster exerts his or her influence. Therefore bid-rigging can be separated into: Pre-bidding phase, bidding phase, submission phase.

- Profiteering as a result of insider knowledge of company activities
- Conflict of interest.
- Bribery, Illegal gratuity or economic extortion. For example, accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the company.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment.
- Any similar or related irregularity

Managers, supervisors and employees have a duty to familiarize themselves with the types of improprieties that might be expected to occur within their areas of responsibility and to be alert for any indications of irregularity. Every employee shall have a fiduciary duty to refrain from engaging in any such conduct, co-operate with the management in the measures for preventing and detecting fraud and report any suspicious activity observed.

4. Responsibility for Fraud Management

All employees, regardless of their level, are responsible for helping deter and defend the company from fraud and misconduct. This section highlights the roles and responsibilities of the various stakeholders within the Company's Fraud Risk Management Framework:

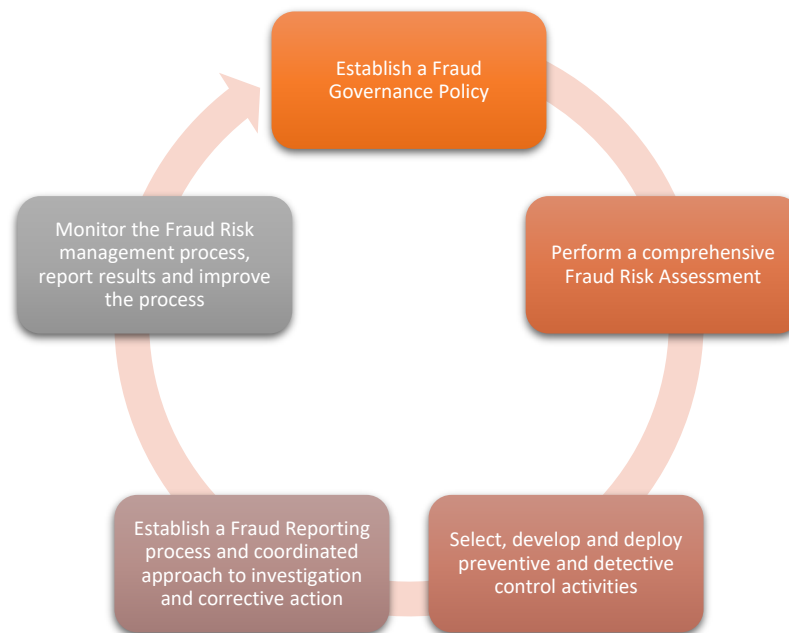
- **Audit and Risk Committee of the Board of Directors (ARC):** The ARC assists the Board in fulfilling its oversight responsibilities for the Company's system of internal controls (including anti-fraud controls). The ARC is responsible for ensuring that management designs an effective Fraud Risk Management Program by:
 - Overseeing Management's fraud risk management activities.
 - Assessing the risk of fraud by management, including the risk of management's override of control, and ensuring controls are designed and functioning to deter, prevent, and detect fraud.
 - Monitoring management's reports on fraud risks, policies and control activities.
 - Being informed about instances of fraud that occur within the company (for example, instances of irregularities/misconduct involving employees or significant internal control issues).
 - Deciding on conducting or not conducting a formal investigation for a whistleblower complaint or a red-flag / concerns raised by management.
 - Deciding on suitable disciplinary actions and corrective measures subsequent to a formal investigation.
- **Internal Audit:** Internal Audit provides independent, objective assurance regarding the design and operating effectiveness of management's anti-fraud controls by:
 - Assessing fraud risks as part of their annual risk assessment as well as in conjunction with engagement planning for each audit.
 - Assist in or carry out the investigation of significant suspected fraudulent activities, whistleblowing cases, governance issues, and other matters or special assignments within the organization.

- Monitor the progress of the implementation of the ARC decisions arising from the results of the investigations.
- **Corporate Governance (CG):** The Corporate Governance shall be responsible to oversee the compliance to the 'Code of Business Conduct and Ethics (Code)' and provide clarifications / consultation to employees about the Code.
- **Enterprise Risk Management (ERM):** The ERM shall be responsible for establishing Fraud Risk Methodology, collecting and compiling fraud risk assessment details as per exercise periodically conducted by relevant business units and report periodically to the ARC.
- **Management:** Management has the overall responsibility for the design and implementation of the Company's Fraud Risk Management Program. Management's primary responsibility for managing fraud risks, including assessing the risk of fraud, implementing controls to prevent and/or detect fraud risks, monitoring control effectiveness, and reporting regularly to the ARC on irregularities/misconduct involving employees or significant internal control issues within the Company.

5. Fraud Risk Management Framework

The Company's Fraud Risk Management Framework is administered by Internal Audit, who reports to the ARC. While management is ultimately responsible for the design and implementation of a Fraud Risk Management Program within the company and ensure that all the components of the framework are working effectively. Internal Audit as a 3rd line of defense assesses whether the framework objectives are achieved.

Each component of the Program is designed to help mitigate potential fraud and misconduct identified during management's fraud risk assessment. Below is a summary of the Fraud Risk Management Components covered:



The successful implementation of the Framework depends on different stakeholders including Board of Directors, Senior Management, Enterprise Risk Management, Internal Audit, External Auditors,

within the organization and the implementation of the organizational policies listed in section 6 below.

6. Relationship to other Policies

The Board and management have adopted the Fraud Governance Policy as a complement to other company policies designed to foster and promote the highest standards of ethical business practices within the Company's operations. Employees at every level have the responsibility for ensuring that the Company's activities align with the Code of Business Conduct and Ethics, as well as other policies designed to ensure compliance with laws, rules and regulations. These include, but not limited to:

- **Code of Business Conduct and Ethics:** Ooredoo's code ("the code") describe the basic principles and applicability of the Code.
- **Whistleblowing Policy and Procedures:** Ooredoo's program that provides employees and other stakeholders a means of communicating concerns, problems or irregularities regarding violation of laws, regulations, policies, decisions, instructions, company code of business conduct and ethics, issues related to deficiencies in the system internal controls, violation of confidentiality of the company information and fraud attempts or any errors that may have a negative impact on the company, employees, customers, shareholders, investors or others in general, on an anonymous basis, without fear of retribution.
- **Fraud Management Policy:** Ooredoo's policy to address commercial frauds relating to all revenue related frauds, including impact on brand image, which have a direct/indirect impact on the company's revenue streams.
- **Anti-Money Laundering Policy:** Ooredoo's policy in relation to Ooredoo Mobile Money Services that ensures feasible Anti-Money Laundering controls are in place for early and effective identification, detection, prevention and reporting of money laundering, terrorism financing and potential financial crimes.
- **Investigation Policy and Procedure:** The documented protocol established by the Board of Directors to ensure that all concerns reported, which require formal investigation are investigated in a fair and consistent manner. The investigation procedure includes rules of evidence, chains of custody, reporting mechanisms to those charged with governance, and legal actions.
- **Enterprise Risk Management Policy:** Established to effectively manage uncertainty which could have a significant negative impact on Ooredoo's objectives. The Policy establishes a formal, systematic and integrated approach to identifying, managing and monitoring risks (including fraud risks). It describes the means to identify, prioritize and manage the risks involved in the activities of Ooredoo's businesses.

As an integral part of the Fraud Risk Management Program, the above mentioned policies includes a provision to enable management to periodically report on instances of irregularities/misconduct involving employees, or any suspicious activity/transactions or significant internal control issues. Each policy mentioned above, is available through the company's intranet.

7. Fraud Risk Assessments

A fraud risk assessment shall be aimed at proactively identifying and addressing the risk of fraud. Management shall define and submit the scope and procedures to be performed, the fraud risk appetite/tolerance and the format for the report to the ARC for approval. The fraud risk assessment addresses the risk of fraudulent financial reporting, fraudulent non-financial reporting, asset misappropriation and other illegal actions including corruption. Enterprise Risk Management shall conduct a comprehensive fraud risk assessment on an annual basis, in addition to any specific assessment as recommended by the Senior Management/ARC. The ARC shall be responsible for overseeing the fraud risk assessment exercise.

8. Fraud Awareness

An ongoing awareness program is a key enabler to convey fraud risk management expectations, as well as an effective preventive control. Awareness of fraud and misconduct schemes is developed through periodic assessment, training, and frequent communication.

Management should design the fraud awareness programs, and consider who should attend, frequency and length, cultural sensitivities, guidance on how to solve ethical dilemmas, and delivery methods.