

## MAURITIUS OIL REFINERIES LTD

### FRAUD POLICY

#### 1. PURPOSE

1.1 Mauritius Oil Refineries Limited and the companies of the group (referred to as “the Group”) are committed to ethical business practices within their operations. Under no circumstances is management tolerant of fraud and misconduct, either through the actions of its personnel or those working on its behalf.

1.2 The policy promotes a culture founded on fraud prevention, awareness, and accountability. It establishes management’s framework of internal controls for the prevention and detection of fraud and misconduct within the Group, as well as protocols for conducting internal investigations.

#### 2. SCOPE

2.1 This Policy applies to any fraud or misconduct, or suspected fraud and misconduct, involving employees as well as members of the Board of Directors (“Board”), management, and third parties with a business relationship with the Group.

#### 3. DEFINITIONS

3.1 **Fraud** is defined as any intentional act or omission designed to deceive others, resulting in the organisation suffering a loss and/or the perpetrator achieving a gain. Dishonest or fraudulent activities include, but are not limited to, the following:

- a) Forgery or alteration of documents
- b) Misrepresentation of information on documents
- c) Misappropriation of funds, supplies, or assets
- d) Theft, disappearance, or destruction of assets
- e) Improprieties in the handling or reporting of money or financial transactions
- f) Money laundering
- g) Authorizing or receiving payments for goods not received or services not performed
- h) Authorizing or receiving payment for hours not worked
- i) Inappropriate use of the company’s records and disclosing confidential and proprietary information to outside parties.

3.2 **Misconduct** is defined as any intentional violation, or suspected violation, of the Group’s policies and procedures, as well as applicable laws and regulations with which the Group must comply.

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## 4. ROLES AND RESPONSIBILITIES

### 4.1 Board of Directors

4.1.1 The Board plays a critical role in overseeing the integrity of the Group, particularly when it comes to preventing, detecting, and addressing fraud. The Board is responsible for:

- a) Setting up a comprehensive governance framework that includes robust policies to prevent fraud, such as a code of ethics, conflict of interest policies, and whistleblower protections;
- b) Ensuring that the Group has an effective risk management system in place to identify and mitigate potential fraud risks;
- c) Overseeing the establishment and effectiveness of internal controls designed to prevent and detect fraud;
- d) Ensuring that there is a mechanism for employees, vendors, and other stakeholders to report suspicious activities without fear of retaliation;
- e) Ensuring that the Group complies with all relevant laws and regulations regarding fraud prevention and reporting;
- f) Promoting and upholding a culture of ethics and integrity within the Group;
- g) Overseeing how the Group communicates about the fraud incident internally and externally, maintaining transparency while managing potential reputational risks;
- h) Promoting ongoing education and training on fraud prevention and detection for all employees; and
- i) Apprising the Board members about emerging fraud risks and the latest best practices in fraud prevention and detection.

### 4.2 Audit and Risk Committee

4.2.1 The Audit and Risk Committee plays a critical role in overseeing a company's financial reporting, internal controls, and risk management, particularly concerning fraud. Their responsibilities include:

- a) Reviewing the effectiveness of the group's internal controls, including those specifically designed to prevent and detect fraud;
- b) Reviewing the effectiveness of the outsourced internal audit and external audit functions;
- c) Ensuring that regular fraud risk assessments are conducted and that appropriate controls are in place to mitigate these risks;
- d) Assessing the risk of fraud by management, including the risk of management's override of controls, and ensuring that controls are designed and functioning to deter, prevent, and detect fraud by management;
- e) Ensuring that the financial statements are accurate and that any instances of fraud or irregularities are identified and reported;
- f) Reviewing and overseeing the investigation of significant fraud allegations and ensuring that appropriate action is taken; and
- g) Providing regular updates to the Board on the status of fraud risk management, internal controls, and any significant fraud-related issues.

### 4.3 Management

4.3.1 Management holds the primary responsibility for preventing, detecting, and responding to fraud within the Group. Their responsibilities with respect to fraud can be summarized as follows:

- a) Designing, implementing, and maintaining an effective system of internal controls that can prevent and detect fraud;
- b) Appointing an executive manager, who has overall responsibility for the coordination and implementation of the Group's fraud risk management framework, as well as reporting to the Audit and Risk Committee and the Board about fraud risk matters;
- c) Reporting of high immediate risks to be done without delay, the Board should be alerted immediately;
- d) Establishing control activities such as segregation of duties, authorisation processes, and regular reconciliations that are designed to prevent fraudulent activities;
- e) Identifying areas within the organisation where fraud risks are present, including assessing the likelihood and potential impact of these risks;
- f) Developing and implementing strategies to mitigate the identified risks;
- g) Demonstrating ethical behaviour and commitment to integrity;
- h) Establishing and enforcing a Code of Ethics that outlines the group's expectations regarding ethical behavior and compliance with laws and regulations;
- i) Developing and delivering training programs to educate employees about the risks of fraud and the importance of ethical behaviour and promoting compliance to the Code of Ethics and other related policies;
- j) Implementing preventive measures, such as thorough background checks for employees in sensitive positions and ensuring that conflicts of interest are properly managed;
- k) Establishing mechanisms for detecting fraud, such as data analytics, surprise audits, and whistleblower communication line, to identify any suspicious activities early;
- l) Ensuring that a thorough and impartial investigation is conducted if fraud is detected or suspected and making sure that appropriate corrective actions are taken to address and rectify the situation, which may include disciplinary measures, legal actions, or process improvements;
- m) Reporting instances of suspected or confirmed fraud to the appropriate internal and external parties, including the Audit and Risk Committee;
- n) Enforcing the fraud policy and ensuring that all employees are aware of and adhere to it; and
- o) Establishing confidential mechanisms for employees and other stakeholders to report suspected fraud without fear of retaliation.

## 5. FRAUD RISK MANAGEMENT FRAMEWORK

### 5.1 Governance

5.1.1 The Group's fraud risk management framework is overseen by the Governance, Risk and Compliance Manager who reports to Management, the Audit and Risk Committee and the Board on matters involving fraud risk.

- 5.1.2 The framework reflects the concepts of governance, risk assessment, fraud prevention and detection, reporting, investigations and corrective action, and monitoring.
- 5.1.3 The Board and management have adopted the Fraud Policy as a complement to other corporate policies designed to foster and promote the highest standards of ethical business practices. Personnel at every level have responsibility for ensuring that the business activities align with the Code of Ethics, as well as other policies namely, the Whistleblowing Policy, the Internal Control Policy and the Disciplinary Policy.

## **5.2 Fraud Risk Assessment**

- 5.2.1 The Group is committed to the timely prevention and detection of fraud and misconduct. Management, with the assistance of the Governance, Risk and Compliance (GRC) department, conducts an annual fraud risk assessment for the purpose of identifying, analysing and responding to potential key fraud risks.
- 5.2.2 The risk assessment methodology consists of possible fraud risks utilising common fraud scenarios, prioritising the significance and likelihood of such risks on an inherent and residual basis through a series of interviews with management and employees, mapping fraud risks to internal controls, and identifying potential gaps or enhancement opportunities related to management's anti-fraud control activities. The results of management's fraud risk assessment are addressed within an action plan.

## **5.3 Fraud Prevention and Detection Control**

- 5.3.1 Management has designed a combination of preventive and detective anti-fraud control activities which occur at various levels of the organisations and are intended to help mitigate the occurrence of fraud and misconduct, as well as ensure the timely detection of fraud risk events within business operations.
- 5.3.2 The high-level fraud prevention control activities include:
- a) Business process controls such as the use of authority and responsibility limits, as well as human resource procedures like employee background investigations, training and exit interviews;
  - b) Physical access controls to the organisation's facilities and the right to use of assets;
  - c) Logical access controls addressing access rights to IT system and sensitive information;
  - d) Transaction controls addressing procurement and payroll procedures and managerial approval requirements; and
  - e) Data analytics utilised by the finance and accounting department to continuously monitor certain types of payments and transactions, as well as data analytics used by the internal and external audits in the performance of their operational and financial audits.

#### **5.4 Fraud Reporting**

- 5.4.1 The Group encourages employees, management and the Board to report all incidents of fraud and misconduct.
- 5.4.2 There are established procedures for reporting concerns, complaints and information about fraud and misconduct either via the Group Human Resources Manager, an Executive Manager or to the Chairperson of the Corporate Governance, Remuneration and Ethics Committee. The whistleblowing procedures are published on MOROIL's website.
- 5.4.3 Any employee may submit a good faith concern or potential violation involving fraud without fear of dismissal or retaliation. Investigations will be conducted without regard to suspected personnel or third party's position/title, or relationship to the organisation. Confidentiality will be strictly maintained.

#### **5.5 Fraud Investigation**

- 5.5.1 Upon receipt of a concern, the matter will be investigated in accordance with the Code of Ethics and the Whistleblowing Procedures.
- 5.5.2 The investigation will be conducted while protecting confidentiality or anonymity and safeguarding evidence.
- 5.5.3 An investigation under the disciplinary process will be conducted according to the Group's Disciplinary Policy and Procedures.
- 5.5.4 Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.
- 5.5.5 Following the preliminary findings of the investigation and upon the advice of the company's lawyer, the matter may be referred to the police and/or any other relevant authority. In such instances, any employee involved in the suspected fraudulent activity will be immediately suspended and the disciplinary process initiated according to the Group's Disciplinary Policy and Procedures.

#### **5.6 Fraud Monitoring**

- 5.6.1 The design of the components within the fraud risk management framework will be evaluated during the annual fraud risk assessment. The operating effectiveness of related anti-fraud controls will be tested annually as part of the Group's compliance activities.

5.6.2 The GRC Manager is responsible for ensuring that any deficiencies, weaknesses, or enhancements involving anti-fraud controls are addressed in a timely and effective manner.

5.6.3 The outsourced internal audit and external audit may be called to conduct a separate and independent evaluation of the fraud risk management framework.

## 6. ANTI-MONEY LAUNDERING COMPLIANCE

6.1 As part of the broader commitment to fraud prevention, the Group implements stringent Anti-Money Laundering (AML) measures to detect, prevent, and report money laundering activities. Employees of the Commercial, Logistics and Finance departments are required to adhere to customer due diligence procedures, ensure that suspicious activities are reported promptly, and undergo regular AML training.

6.2 This policy complies with the prevailing Mauritian Financial Intelligence and Anti-Money Laundering Act (FIAMLA), and failure to comply may result in disciplinary action.

6.3 Common red flags related to money laundering, may refer to activities such as:

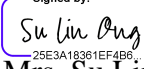
- a) Large or complex transactions without a clear business purpose;
- b) Transactions inconsistent with a customer's known profile; and
- c) Multiple small transactions to avoid detection thresholds (Payment in cash is limited to a maximum of Rs 500,000 according to FIAMLA).

## 7. REVIEW

7.1 The Audit and Risk Committee has the authority to make necessary changes to the policy with the Board of Directors' approval to reflect changing circumstances.

## 8. APPROVAL

8.1 This policy has been recommended by the Audit and Risk Committee for approval to the Board of Directors and is effective as of May 14, 2025.

Signed by:  
  
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Mrs. Su Lin Ong

Chairperson of the Audit and Risk Committee

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Mr. Akhtar Dawood

Chairperson of the Board of Directors