

## AFRINIC FRAUD & CORRUPTION POLICY

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**BACKGROUND** The corporate fraud policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against AFRINIC Limited. It is the intent of AFRINIC Limited to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

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**SCOPE OF THE POLICY** This policy applies to any fraud, or suspected fraud, involving employees as well as Board members, partners, consultants, Suppliers of Goods and Services, contractors, external agencies doing business with AFRINIC, employees of such agencies, and/or any other parties with a business relationship with AFRINIC (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.

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**POLICY** The Board of Directors has the responsibility of putting in place appropriate policies for the detection and prevention of frauds, corruptions misappropriations, and other inappropriate conduct. Management has the responsibility for the implementation of such policies. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

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**DEFINITIONS** *Transparency International (TI)* has chosen a clear and focused definition of the term:

***“Corruption is operationally defined as the misuse of entrusted power for private gain”***

In the Mauritian context, **“corruption”** is defined in the **Prevention of Corruption Act [POCA]** as:

***“An act of corruption occurs when a public official uses his official position to obtain a personal advantage, like money or a gift, for himself or someone close to him”***

The definition of corruption embraces three issues for the purpose of **POCA**:

**1. Dishonesty:** *Inclined to lie, cheat, defraud, or deceive to obtain a personal gain (wide concept)*

**2. Bribery:** *The offering, giving, receiving, or soliciting of something of value for the purpose of influencing the action of an official in the discharge of his public or legal duties; something, such as money or a favor, offered or given to a person in a position of trust to influence that person's views or conduct. A bribe can consist of immediate cash or of*

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*personal favors, a promise of later payment, or anything else the recipient views as valuable.*

**3. Fraud:** *Dishonesty calculated for one's advantage which includes a false representation of fact (whether by words or by conduct, by false or misleading allegations, or by concealment of what should have been disclosed) and also means which deceives and is intended to deceive an individual so that the individual will act upon it.*

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**ACTIONS  
CONSTITUTING  
FRAUD**

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the Company
- Forgery or alteration of a check, 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
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Company.
- Soliciting anything of material value from contractors, vendors or persons providing services/materials to the Company, even though no item of material value has actually exchange hands. It suffices that there is proven evidence that solicitation has taken place.
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

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**KEY ROLES AND  
RESPONSIBILITIES**

**Chief Executive Officer (CEO)**

The CEO exercises the ultimate management authority of AFRINIC and is responsible for modelling and ensuring ethical behavior. The CEO should demonstrate a visible commitment to controlling the risks of fraud, corruption, and other serious misconduct both against AFRINIC and by AFRINIC.

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## **The Fraud and Corruption Control Officer [FCCO]**

The designated FCCO will be responsible for AFRINIC's Fraud and Corruption prevention activities including risk assessments, staff awareness, fraud investigations and reporting.

### **Finance**

Finance staff will be vigilant when undertaking accounting activities, and report any discrepancies in accounting records, or conflicting or missing information or supporting documentation for financial transactions.

### **Infrastructure Unit**

Infrastructure Unit is responsible for establishing mechanisms to investigate information technology misuse. **Unit Managers**

Unit Managers' are accountable for the prevention and detection of fraud, corruption, and other serious misconduct in their respective areas of responsibility by ensuring that internal controls are in place and operating effectively, and raising any concerns about possible fraud, corruption, or other serious misconduct to their HoDs or the Fraud and Corruption Control Officer.

### **Staff**

If any member of staff has reason to suspect fraud, corruption, or other serious misconduct the staff is encouraged to first raise the issue with his/her immediate Manager. If the matter is too sensitive or if it involves the conduct of the manager, then report the matter to the Fraud and Corruption Control Officer, or through the whistleblower mechanism ( a hotline, hosted by a third-party hotline provider, EthicsPoint).

### **Other stakeholders**

We want all stakeholders (Afrinic members in particular and the community at large in general, suppliers, etc.) to feel comfortable in reporting malpractices or instances where they believe there have been violations of AFRINIC policies or standards.

In situations where you prefer to place an anonymous report in confidence, you are encouraged to use a hotline, hosted by a third-party hotline provider, EthicsPoint. The hotline web address is the following:

**<https://secure.ethicspoint.eu/domain/media/en/gui/106538/index.html>**

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The information you provide will be sent to us by EthicsPoint on a totally confidential and anonymous basis if you should choose. You have our guarantee that your comments will be heard.

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**REPORTING  
FRAUD**

The best time to report a suspected fraud or suspicious activity is immediately upon detection. Report behaviour involving possible fraud to the Fraud and Corruption Control Officer through Line Management, Senior Management, AFRINIC's legal counsel or any other external agencies contracted for that purpose.

Any information provided shall be treated in strict confidence (unless the law or a regulatory authority requires it to be disclosed). If there are reasonable grounds to suspect that there is fraud or suspicious activity, and the reporting individual acted in good faith when the report is made, then AFRINIC will not take any action against the reporting individual. However, if there was an intentional false or misleading report, then AFRINIC management reserves the rights to take appropriate disciplinary action as deemed necessary.

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**FRAUD  
INVESTIGATION**

The FCCO/CEO will assess reports of allegations of fraud and/or corruption. If, based on the available information there is enough evidence to warrant further investigation, a formal investigation will be launched. Auditco shall be informed of each allegation, and whether or not a formal investigation is launched.

**Who investigates reports of fraud?**

If fraud is detected, reported or suspected, an independent party will conduct an investigation. This may include:

- An external law enforcement agency or "whistleblower" contractor,
- A manager or other senior staff member appointed by the Chief Executive Officer, or
- An external consultant operating under the direction of the Chief Executive Officer.

All investigations, whether undertaken by internal or external resources, will observe the rules of natural justice. This means the investigation will be conducted without bias, and any person against whom an allegation is made will be given the opportunity to respond. Any information arising from or relevant to the investigation is only disseminated to the person authorized to receive such information. All details of the investigation will remain with the Investigating Officer and the FCCO/CEO until allegations are confirmed or found to be unproven. The Chief Executive Officer will be ultimately responsible for making a decision with regard to

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what action will be taken according to AFRINIC policies and/or what criminal charges will be made.

## FRAUD AND CORRUPTION REPORTING PROCEDURE

### Actions

Step	Action	Responsible Person
1	<b>If you have reasonable grounds to suspect that an act of fraud or corrupt conduct is occurring or has occurred, it is your duty to report your suspicions.</b>	Employee/ External Person
2	<b>Report the concern to:</b> <ul style="list-style-type: none"> <li>• the Direct report</li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• Your Senior Manager/HoD (if reporting to your supervisor would be inappropriate) or HR</li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• Contact CEO or FCCO</li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• If you have concerns reporting to any AFRINIC staff, report to AFRINIC Audit Committee</li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• use an independent whistleblower mechanism.</li> </ul>	Employee/ External Person
3	<b>Remember to:</b> <ul style="list-style-type: none"> <li>• Not confront any suspected individuals.</li> <li>• Not discuss the matter with anyone other than indicated in this document.</li> <li>• Not commence any personal investigation</li> </ul>	Employee/ External Person
4	<b>If not already notified, report the allegation to the Fraud and Corruption Control Officer.</b>	Manager/ Senior Manager/HR
5	<b>Incident is recorded into the Fraud and Corruption Incident Register</b>	FCCO

6	<b>Appoint the FCCO and/or a senior staff member independent of the service in which the alleged fraud has occurred to conduct a preliminary assessment</b>	Chief Executive Officer
7	<b>Conduct an initial assessment and produce a Preliminary Assessment Report. Consider whether more data/evidence would be available in future</b>	FCCO/ Appointed Senior Staff Member/Legal Counsel
8	<b>Review the Preliminary Assessment Report and determine if further investigation is required or fraud is substantiated.</b>	Chief Executive Officer, HR & Legal Counsel
9	<b>Report the allegation and the result of the Preliminary Assessment to AuditCo.</b>	Chief Executive Officer
10	<b>If no further investigation is required, go to step 17.</b>	FCCO
11	<b>Decide what further investigation is required, and appoint appropriate resources, which may include externally sourced investigators</b>	Chief Executive Officer, FCCO, HR and Legal Counsel
12	<b>Provide a Fraud Investigation Report to the FCCO and the Executive Committee</b>	Internal/External Investigators
13	<b>If fraud is not substantiated, go to step 16.</b>	FCCO
14	<b>If fraud is substantiated, implement appropriate disciplinary action against the employee under review (where appropriate) and, if relevant notify AFRINIC insurers</b>	Chief Executive Officer/Human Resources
15	<b>If the reported fraud is considered a criminal offence, notify the relevant law enforcement agency</b>	CEO/FCCO/HR
16	<b>Produce a Final Report that includes actions taken and outcomes and provide to the CEO. CEO will forward the report to AuditCo.</b>	CEO/FCCO/HR
17	<b>Close the matter and update the Fraud and Corruption Incident Register with findings.</b>	FCCO