

Fraud Prevention and Response Policy

Batho Pele Group (Pty) Ltd

Policy	Fraud Prevention and Response Policy
Reference	BPG-POL-04
Version	1.0
Approved by	Board of Directors, October 2026
Policy owner	Compliance Officer (Director: Duane P. B. Webber)
Applies to	All directors, employees, contractors, agents, intermediaries and consortium partners acting for or on behalf of Batho Pele Group (Pty) Ltd
Review	Annually, or sooner on a material change in law or business

1. Policy statement

The Company has zero tolerance for fraud, theft, forgery and dishonesty by anyone – directors, employees, counterparties or third parties. The fuel trading sector is targeted by document fraud, fake bank instruments, payment-diversion and impersonation scams. This policy sets out how the Company prevents, detects and responds to fraud.

2. What fraud includes

- Falsification or alteration of contracts, invoices, bills of lading, certificates of quality, quantity or origin, or bank instruments.
- Business e-mail compromise: impersonating the Company, a supplier or a customer to divert payments, including fraudulent changes of bank details.
- Misappropriation of funds, cargo or other assets, and false expense or commission claims.
- Advance-fee or “procedure” scams, and fictitious product offers or allocations.

3. Prevention controls

1. **Counterparty verification.** Full KYC under the AML/CFT Policy before contracting; product availability confirmed through verifiable supplier documents.
2. **Independent inspection.** Quantity and quality determined by an internationally recognised independent inspector at load and discharge.
3. **Bank instruments.** Every guarantee, standby letter of credit or bank payment undertaking is authenticated bank-to-bank via SWIFT before reliance.
4. **Payment controls.** Payments require two-step verification (preparer and director approval). Changes to any bank details are accepted only on signed letterhead and confirmed by telephone call-back to a previously verified number – never on the strength of an e-mail alone.
5. **Segregation and records.** Commercial, finance and documentation roles are separated as far as practical, with complete audit trails of approvals.
6. **Cyber hygiene.** Multi-factor authentication on e-mail and banking, and staff awareness of phishing and impersonation.

4. Reporting fraud

Suspected fraud must be reported immediately to the Compliance Officer (or the Chairman if the Compliance Officer is implicated). Do not investigate alone, confront the suspect or alert the counterparty. Reports made in good faith are protected under the Protected Disclosures Act 26 of 2000.

5. Response

1. Contain: stop or recall affected payments, notify the bank immediately, and preserve evidence (e-mails, documents, logs).
2. Investigate: the Compliance Officer appoints an independent investigator where appropriate and documents findings.
3. Report: fraud, theft, forgery or uttering involving R100,000 or more is reported to the South African Police Service as required by section 34 of PRECCA; suspicious transactions are reported to the FIC under the AML/CFT Policy; affected counterparties are informed where appropriate.
4. Recover and remedy: pursue civil recovery, apply disciplinary sanctions, and close the control gap that allowed the fraud.

6. Consequences

Fraud is a dismissible offence and grounds for immediate termination of any contract. The Company will pursue criminal prosecution and civil recovery.

Approval

Adopted by the Board of Directors of Batho Pele Group (Pty) Ltd, October 2026. Signed copy held by the Company.