

ARE Anti-Fraud, Bribery, Corruption and Money Laundering Policy

1. Introduction

The Alliance for Rural Electrification (ARE), acting within existing Belgian and international legal frameworks, is committed to comply with relevant applicable laws, rules and regulations to affirm its integrity and transparency. This includes the OECD Anti-Bribery Convention as well as the European Union's Anti-Money Laundering Directive.

2. Purpose

The ARE Anti-Fraud, Bribery, Corruption and Money Laundering Policy (hereafter: "Policy") underscores and reinforces ARE's commitment to acting according to existing Belgian and international law, and hence combat the scourges of fraud, bribery, corruption and money laundering.

3. Scope

The Policy applies to all individuals and organisations representing or acting on behalf of ARE. This includes ARE staff, Members of the Board of Directors, and other subsidiaries and agents (e.g. consultants) working on behalf of ARE – jointly referred to as "ARE representatives".

4. Definitions

Fraud is defined as deliberate deception to obtain an unlawful advantage.

Active bribery is the act of offering, promising or giving a benefit, directly or indirectly, to a public official, to his own benefit or that of a third party, in order to induce him or her to perform or refrain from performing any act falling within the scope of his or her responsibilities.

Passive bribery is the act by a public official, directly or indirectly, of requesting, accepting or receiving an offer, promise or benefit for himself or for a third party, in exchange for performing, or refraining from performing, any act falling within the scope of his responsibilities.

Corruption is the abuse of power for private gain involving, in principle, an agreement between a corrupting person and a corrupted or corruptible person.

Money laundering is the bringing into the legal circuit of funds of illegal or even criminal origin, such as from organised crime, drug and illegal arms trafficking, illegal trade in goods and merchandise, trade in clandestine labour, trafficking in human beings and exploitation of prostitution, serious and organised fiscal fraud, etc.

In case of any conflict of definition between the above and the definitions under Belgian law, current and future, the latter will prevail.

5. Reporting

ARE encourages openness and transparency. In case of detecting any fraud, bribery, corruption, or money laundering act, ARE representatives are expected to immediately present the incidence or suspicion to the Board of Directors as a whole or to at least two Board members.

Those two Board members are obliged to set a report to be presented to the other board members. If needed, privacy of the person highlighting the incidence can be kept in the report. The board as a collegial body will decide following actions and, in any case, will investigate the matter deeply.

Where and when required such reporting may be anonymised, e.g. to protect relationships or legitimate private interests.

6. Communication

ARE ensures that this Policy, as well as any subsequent amendment, is communicated to all ARE representatives and ARE members as well.

ARE also ensures that the responsibilities are understood. In case of comprehension issues, the respective person may be talked through this Policy by the ARE President.

7. Internal Controls, Monitoring and Revisions

ARE assures that its books, records and accounts are maintained correctly and accurately at all times reflecting every transaction, invoice and document, to facilitate anti-corrupt behaviour and increase transparency.

The financial monitoring and control of the Association is carried out by the Board of Directors (cf. ARE's Articles of Association).

Moreover, the Board of Directors prepares, with the assistance of the Treasurer if applicable, annual accounts for the previous financial year. Such annual accounts are submitted to the approval of the Ordinary General Assembly Meeting (cf. ARE's Articles of Association).

For this purpose, the Board is setting up a finance commission that on behalf of the board will carry on all the necessary audits to the finance of the associations, books and any activity that involves money or values. The finance commission may use internal or external resources to deliver its audits. An appropriate budget to this scope will be approved by the Board at the time of approval of this policy or in any case within one month from the approval.

This Policy may be revised and improved at any time by the Board of directors.

8. Assessment of Risk

ARE representatives are expected to identify, assess and determine responses as appropriate to any risks of fraud, bribery, corruption and money laundering throughout the carrying out of their duties.

This is particularly the case in any contractual arrangements between ARE and third parties, whereby ARE representatives are expected to check whether the terms are clear and appropriate for the business activities.

Prior to doing business with new subcontractors and partners, as part of its due diligence procedures, ARE may assess risks from fraud, bribery, corruption and money-laundering in the respective context by evaluating potential exposure. The Corruption Perceptions Index by Transparency International may help in assessing those risks.

9. Other ARE Policies

This Policy is complementary to all other existing ARE policies and does not interfere with any of their contents.

10. Misconduct and Sanctions

Any violation of the terms in this Policy by any ARE representative may be subject to disciplinary action, and in extreme cases to termination of employment and/or a claim for payment of a damage.

If ARE representatives knowingly deceive and obstruct investigations, their action may be subject to disciplinary proceedings, such as termination of the contract and discharge and/or paying a penalty fine.

If Third Party agents violate the terms of the Policy, know of any misconduct and fail to report it to ARE and distort investigations purposefully, their contract may be subject to termination.

11. Validation

This Policy is adopted by the ARE Board of Directors on 8 December 2021. It enters into force immediately.