



## **FRAUD POLICY**

### **POLICY**

Company Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Each member of the TLC ® Team will be familiar with the type of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any fraud that is detected or suspected must be reported immediately to the Corporate HR and your Executive Managers.

### **SCOPE**

This policy applies to all forms of fraudulent behavior, or suspected fraudulent behavior, involving employees. It is intended to provide direction to employees who find themselves having to deal with suspected cases of impropriety. It provides a framework for responding to such cases, with advice and information on various aspects of an investigation. Any fraudulent behavior, or suspected fraudulent behavior on account of Employees of our Clients which comes to the Notice of the TLC ® Team must also be highlighted to the Corporate HR department of TLC® and your Executive Managers. As an example this could include the fraudulent use of a membership card by a hotel employee.

### **ACTIONS CONSTITUTING FRAUD**

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

1. Unauthorized personal use of company assets.
2. Misappropriation (theft) or willful destruction (e.g. property, records, etc.).
3. Loss of assets including cash, inventory etc.
4. Forgery or alteration of any document or account belonging to the Company.
5. Forgery or alteration of a cheque, bank draft, or any other financial document.
6. Impropriety in the handling or reporting of money or financial transactions.
1. Disclosing confidential and proprietary information to outside parties.
7. Disclosing security related activities engaged in or contemplated by the company to other persons.
8. Destruction or inappropriate use of data, records or company correspondence.



9. Mishandling of Membership Sales which includes misreporting, non-deposit of cash sales, late deposit of cash sales, forging of signatures on Confirmation Forms, incorrect or fraudulent use of the Member Get Member Programs, misreporting mode of payment of sales example cheque to cash etc.
10. No Employee of TLC ® can become a member of card program marketed by TLC ® unless approved by the Management.
11. Member Get Member programs are meant for customers. No employee of TLC ® or their friends or family can participate and take any benefit under the MGM program.
12. Misrepresenting Member Benefits to potential and current Members.
13. Misreporting of any membership / client transaction to superiors, clients or to the TLC ® Corporate office.
14. No employee of TLC ® can formally or informally borrow money or ask for any personal favour from a co-worker, client or a customer. This will be viewed as a serious breach of our Code of Conduct and will lead to strong disciplinary action.
15. Exchange of gifts or any other complements directly or indirectly between employee and the customer.
16. Over- invoicing of any kind including petty cash statements, hotel bills or any item purchased from outside. Over charging or misrepresenting number of hours worked / bonuses in salary sheets, time of arrival and departure from the office.
17. Accepting any commissions or personal rebates from clients / customers.
18. Colluding with any outsider / client etc to take undue advantage of membership benefits.
19. Making misleading and / or unfair statements about the product and services offered by competitors, in order to generate a sale.
20. Use of a membership card promoted by the Company without due authorizations.
21. Non reporting of any event which may be construed as detrimental to the interest of the hotel or a client.
22. Non reporting of a financial transaction which one is aware of, even if not directly involved.
23. Employees asking for or accepting personal favors like, free room night stay, additional discounts, complimentary benefits, etc from TLC ® client hotels.



## **RESPONSIBILITY**

It is the responsibility of each employee of TLC® to be vigilant and to develop and maintain effective controls to prevent fraud, and to ensure that if it does occur, it is detected and reported promptly. All Employees of the Company are responsible for IMMEDIATELY reporting a possible fraud by dropping a mail on the Employee Help Desk / 360 degree feedback or at sarita.tomar@tlcgroup.com. Employees not reporting a fraud will be held equally liable. They are also expected to extend full co-operation during internal checks, reviews or investigations to safeguard the TLC® brand, reputation and assets. Further, all employees will:

1. Ensure that they are familiar with, and comply with TLC ® Code of Conduct.
2. Report any suspected fraudulent acts in accordance with TLC's Code of Conduct and Fraud Policy.
3. Adhere and comply with all TLC ® policies and procedures.
4. Act with highest standards of ethics, integrity and disciplinary action.

## **AWARENESS**

Employee awareness with respect to fraud/misconduct reporting, duties and escalation protocols is critical for ensuring an anti-fraud environment in the Company. It is the responsibility of each Manager to educate their team members regarding the importance of complying with Company's policies & procedures, and identifying/reporting of suspicious activity. They could be held liable for negligence if direct involvement is ruled out after investigation. If a fraud occurs, TLC® is obliged to carry out a vigorous and prompt investigation, taking appropriate legal and disciplinary action in all cases where it would be justified. Depending on the nature of the problem TLC® may inform the police.

## **PROCESS TO DEAL WITH A FRAUD DISCLOSURE AT TLC®**

The Company will adhere to the following process on being intimated / finding about a potential fraud.

1. Appoint a 2 person neutral team to review the case, meet with all the concerned stakeholders and come back with a recommendation to the CEO within one week of the information.
2. TLC® reserves the right to file a police complaint, a criminal case and / or a civil case to recover the money and take necessary DISCIPLINARY AND LEGAL action.