

## **FRAUD POLICY**

### **1. BACKGROUND:**

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

### **2. SCOPE OF POLICY:**

This policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Adtech Systems Limited (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.

### **3. POLICY:**

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. 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.

Any irregularity that is detected or suspected must be reported immediately to any member of Audit Committee who coordinates all investigations with the Legal Department and other affected areas, both internal and external

### **4. MATTERS TO BE TRATED AS FRAUD**

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

- a. Any dishonest or fraudulent Act;
- b. Handling and reporting of money in a improper way;
- c. Misappropriation of funds, securities or other assets;
- d. Disclosing of Confidential information to the outsiders;
- e. Any similar or irregular activities

Any other irregularities does not include irregularity in employee's moral / ethical / behavioural conduct won't come under the purview of the Audit Committee

#### **5. RESPONSIBILITY:**

The Audit Committee is responsible to investigate all the suspected frauds and after the investigation if it is proved that fraudulent activity has taken place then the Audit Committee will report the same to the Board of Directors or to the person authorized on behalf of the Board.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

#### **6. CONFIDENTIALITY**

The Audit Committee treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Audit Committee immediately. The Audit Committee must never disclose the name and other details of the person reporting the fraud

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

#### **7. PROCEDURE FOR REPORTING:**

The person reporting the fraud must give in writing to any member of the audit committee of the facts of such fraud along with all the details if any.