



ZOTEFOAMS

Anti-Fraud Policy

1. POLICY STATEMENT

- 1.1 This policy applies to Zotefoams plc and all its subsidiary companies and associates and/or, where specified by agreement, joint-venture entities. ("Zotefoams")
- 1.2 Fraud is a criminal offence and has the potential to cause significant, even catastrophic loss to the business. Those who engage in fraud cause direct harm to the business and to its reputation and relationship with its customers and suppliers. We are committed to the prevention, detection and prosecution of fraud.
- 1.3 The Board and management of the business therefore take the issue of fraud very seriously and will not tolerate any misconduct of this nature. We require all of our employees to act with the highest degrees of integrity and honesty at all times. We will investigate all instances of suspected fraud and we will take all available action, including dismissal and/or criminal prosecution, to deal with any person who is found to be involved in such misconduct.
- 1.4 The Company will co-operate fully with any external investigating body and the Company will always seek to recover funds lost through fraud. All frauds will also be reported to the Chairman of the Company.
- 1.5 The Board has procedures in place that reduce the possibility of fraud taking place. These include documented procedures and documented systems of internal control and risk assessment.
- 1.6 Where any employee has any concerns over their own intended course of conduct, or that of anyone else with whom they have dealings in their role with the business, then they should report this to the Company Secretary or a member of the Executive Team.
- 1.7 Fraud is an ever-present threat and so must be a concern to all members of staff, the aim is for an increased transparency of business activities. The purpose of this statement is to set out your obligations with regard to the prevention of fraud.

2. WHAT IS FRAUD?

- 2.1 The most recent piece of fraud related legislation in the UK is the Fraud Act 2006, in addition to the existing common law offence of conspiracy to defraud, the Fraud Act 2006 provides for a general offence of fraud with three ways of committing it. These are:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

In addition, any form of theft or the use of deception to deprive, disadvantage or cause loss to another person amounts to fraud.

It is therefore imperative that every employee gives careful consideration to what they say and do in the name of the business or otherwise in their role.

- 2.2 All Managers and Supervisors have a duty to acquaint themselves with the types of misconduct that might be expected to occur within their areas of responsibility and to be alert for any signs. They must report details immediately to their line manager or next most senior manager if they suspect that a fraud has occurred or see any suspicious acts.

3. WHAT SHOULD I DO IF I DISCOVER OR SUSPECT FRAUD?



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- 3.1 The Company has arrangements for staff to report any concerns or suspicions they may have without fear of prejudice or harassment. The Company Secretary is responsible for enforcing the Company's anti-fraud policy, including instigating disciplinary and legal action against the person responsible for the fraud and also providing confidential advice to staff who suspects a member of staff of fraud.
- 3.2 Managers should be observant that unusual events may be symptoms of fraud or attempted fraud. These can be ascertained by way of management checks or by way of a third party. Managers should ensure that an adequate system of internal control exists within their area of responsibility. They should inform the Company Secretary or their Director if they suspect their staff may be involved in fraudulent activity, impropriety or dishonest conduct.
- 3.3 Employees must have, and be seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties. Employees are responsible for acting with decency in the handling of cash or payment systems, receipts or dealing with contractors or suppliers. Employees must report details of any suspected fraud, impropriety or other dishonest activity immediately to their line manager or the responsible manager (or to the Company Secretary or a member of the Executive Team) and should assist in the investigation of any suspected fraud. Employees reporting or investigating suspected fraud should take care to avoid doing anything which might influence the case against the suspected individual.
- 3.4 The Board is dedicated to ensuring an honest and open environment within the business. The Board wishes to encourage anyone having reasonable suspicions of fraud to report them.
- 3.5 The matters which should be reported include, but are not limited to, staff, suppliers or service providers committing or attempting to commit – any dishonest or fraudulent act, profiting from an official position, misappropriation of funds, supplies or other assets, forgery or alteration of documents or accounts, submitting or receiving fraudulent invoices, impropriety in the handling or reporting of money or financial transactions, handling or procuring contracts or payments outside of the Company's systems and procedures or theft or misuse of property, facilities or services.
- 3.6 Be aware that this policy also applies to all suppliers and service providers as well as potential suppliers and service providers.
- 3.7 If any of the content of this policy appears to be unclear, or if you would like to discuss it further, then please speak with the Company Secretary.

4. MONITORING AND REVIEW

- 4.1 The Company Secretary will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness particularly in the light of changes to global business activity and scale of operation.
- 4.2 All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 4.3 Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Company Secretary.
- 4.4 This policy forms part of the employee's contract of employment.



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