

## **Startup Direct FRAUD POLICY**

### **Background**

This fraud policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against Startup Direct (The Company), or in relation to the Start Up Loans scheme. It is the intent of the Company to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations. It complies with the requirements of the Thefts Act 1968 & 1978 and the Fraud Act 2006.

### **Scope of Policy**

This policy applies to any fraud, or suspected fraud, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees and/or any other parties with a business relationship with 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.

### **Policy**

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 Startup Direct, and members of partner organisations 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 fraud that is detected or suspected must be reported immediately to the Company.

### **Actions Constituting Fraud**

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

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the Company, or related to the Start Up Loans scheme.
- Forgery or alteration of a cheque, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions

- Disclosing confidential and proprietary information to outside parties
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct.

### **Other Inappropriate Conduct**

Suspected improprieties concerning an employee's moral, ethical, or behavioural conduct, should be resolved by the most appropriate executive officer of the partner organisation. If there is any question as to whether an action constitutes fraud, contact the Company for initial guidance.

### **Investigation Responsibilities**

The Company has primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, then the Company will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors.

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 advice and senior management, as will final decisions on disposition of the case.

### **Confidentiality**

The Directors treat all information received confidentially. Any employee, whether employed by the Company or one of its partner organisations who suspects dishonest or fraudulent activity should notify the Managing Director immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent activity.

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.

### **Whistle Blowing**

This is covered in the Company's separate whistle blowing policy.