

Anti-Fraud and Dishonesty Policy

Purpose

This document sets out the policy and procedures of Alphawave Semi against fraud and other forms of dishonesty.

The policy applies to all Directors, employees and associates. Anybody associated with Alphawave Semi who commits fraud, theft or any other dishonesty, or who becomes aware of it and does not report it, will be subject to appropriate disciplinary action.

General Principles

Alphawave Semi will continually strive to ensure that all its financial and administrative processes are carried out and reported honestly, accurately, transparently, and accountably and that all decisions are taken objectively and free of personal interest. We will not condone any behaviour that falls short of these principles.

All Directors, employees, and associates of Alphawave Semi have a responsibility for putting these values into practice and for reporting any breaches they discover.

Definitions

- **Fraud:** A deliberate intent to acquire money or goods dishonestly through the falsification of records or documents. The deliberate changing of financial statements or other records by someone who works for the company. The criminal act is the attempt to deceive, and attempted fraud is therefore treated as seriously as accomplished fraud.
- **Theft:** Dishonestly acquiring, using or disposing of physical or intellectual property belonging to the company or to individual Director, employee or associate of the organisation.
- **Misuse of equipment:** Deliberately misusing materials or equipment belonging to company for financial or material benefit.
- **Abuse of position:** Exploiting a position of trust within the company for financial or material benefit.

Culture

Alphawave Semi fosters honesty and integrity in its entire staff. Directors and staff are expected to lead by example in adhering to policies, procedures, and practices. Equally, members of the public, customers, and external organisations (such as suppliers and contractors) are expected to act with integrity and without intent to commit fraud against the company.

As part of this, the company will provide clear routes by which concerns may be raised by Directors, employees, and associates. Details of this can be found in the company's Anti-bribery and Whistle Blowing policy.

Senior management are expected to deal promptly, firmly, and fairly with suspicions and allegations of fraud or corrupt practice.

Responsibilities

The Directors are responsible for establishing and maintaining a sound system of internal control that supports the achievement of the company's policies, aims and objectives.

The system of internal control is designed to respond to and manage the whole range of risks which the company faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.

Overall responsibility for managing the risk of fraud has been delegated to the CFO. The day-to-day responsibility has been delegated to the Financial Director to act on behalf of the CFO. Their responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organisational objectives.
- Establishing an effective anti-fraud response plan, in proportion to the level of fraud risk identified.
- The design of an effective control environment to prevent fraud.
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues
 - reporting significant incidents of fraud or attempted fraud to the Board of Director Directors.
- Liaising with the Company appointed External Auditors.
- Making sure that all staff are aware of the Company Anti-Fraud Policy and know what their responsibilities are in relation to combating fraud.
- Ensuring that appropriate anti-fraud training is made available to Directors and staff as required; and
- Ensuring that appropriate action is taken to minimise the risk of previous frauds occurring in future.

Senior Management Team

The Senior Management Team is responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively.
- Preventing and detecting fraud as far as possible.
- Assessing the types of risk involved in the operations for which they are responsible.
- Reviewing the control systems for which they are responsible regularly.
- Ensuring that controls are being complied with and their systems continue to operate effectively.
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

Employees

Every employee is responsible for:

- Acting with propriety in the use of Company's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers.
- Conducting themselves with selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- Being alert to the possibility that unusual events or transactions could be indicators of fraud.
- Alerting their manager when they believe the opportunity for fraud exists e.g., because of poor procedures or lack of effective oversight.
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

Reporting

If any employee or associate suspects a potential fraud has been committed this should be reported to the confidential e-mail address ombudsman@awavesemi.com or by contacting the Senior Independent Director at Jan.Frykhammar@awavesemi.com to share your concerns.

You can prefer to remain anonymous on this call but if you are willing to provide your name this will aid the independent investigation of your concerns. Employees or associated persons who report instances of fraud in good faith will be supported by the Company. The Company will ensure that the individual is not subjected to detrimental treatment as a consequence of his/her report. Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary offence.

An instruction to cover up wrongdoing is itself a disciplinary offence. All concerns should be reported, even if you are told not to by a person in authority position. These matters should be reported to our Non-Executive Board Director and member of the Audit Committee Victoria.Hull@awavesemi.com or via telephone +44 7740 830046. See the Anti-Bribery & Whistleblowing policy for more information.

Protect, an independent whistleblowing charity, operates a confidential helpline and you can contact them by telephone on +44 203 117 2520, or online at <https://protect-advice.org.uk/contact-protect-advice-line>. You can find more information on their website: www.protect-advice.org.uk

Further Information

The Company will review policies and procedures periodically to reflect changes in legislation and good practice.

Related Policies & Documents

Business Code of Conduct, Anti-Fraud & Dishonesty Policy, Anti Money Laundering Policy, Policy Against Trafficking of Persons and Slavery, Whistleblowing Policy, Anti-Bribery Policy.

Document Version Control

Version	Date Drafted	Drafted by	Reviewed by	Date Reviewed	Next Review date
V1.0	Mar-21	BDO	D. Aharoni	22-Apr-21	22-Apr-22
V1.1	May-22	Maia Jones	D. Aharoni	May-22	May-23