

**Zorion Technology Labuan Ltd.**

**Anti-Fraud Policy**

<b>CURRENT AND HISTORIC VERSIONS</b>			
Version	Approved by	Responsible structural unit	Entered into force on
1	<b>Laima Marsane, director</b>	<b>Compliance department</b>	<b>29.12.2023</b>



## Introduction

Zorion Technology Labuan Ltd. (“the Company”) recognizes that fraudulent activity poses a significant risk to its operations, reputation, and compliance obligations. Fraud may be perpetrated internally or externally, through misrepresentation, deception, theft, collusion, or abuse of Company systems.

With this Policy, the Company sets the following objectives:

- Prevent, detect, and mitigate fraud risks that may negatively impact the Company’s operations, finances, or reputation;
- Create the basis for an efficient internal control system aimed at fraud prevention;
- Ensure that the Company’s operations correspond to international best practices in fraud prevention and corporate compliance;
- Provide structured procedures for detection, escalation, investigation, and reporting of fraudulent activities;
- Promote training and awareness among all employees in fraud prevention;
- Establish a culture of transparency, accountability, and integrity at all organizational levels.

This Policy is implemented in compliance with:

- Applicable legislation of Labuan, Malaysia;
- Guidelines issued by the Labuan Financial Services Authority (LFSA), including best practices on fraud prevention and corporate governance;
- International conventions and regulatory standards relating to fraud, corruption, and financial crime prevention.

The Company undertakes to review this Policy annually or more frequently where required by regulatory developments, business changes, or internal assessments.

## DEVELOPMENT OF INTERNAL PROCEDURES

The Company develops detailed internal procedures regulating employee responsibilities, fraud prevention actions, and escalation channels.

Fraud prevention procedures address:

### 1. Client-related measures

- o Verification of client identity and background (linked to AML/KYC).
- o Identification of unusual client behavior inconsistent with declared business activity.
- o Monitoring for promotion abuse, identity fraud, or misrepresentation of beneficial ownership.

### 2. Transaction control measures

- o Continuous monitoring of transactions for patterns indicative of fraud (e.g., rapid movement of funds, mismatched jurisdictions, multiple failed login/payment attempts).
- o Procedures for immediate suspension of suspicious transactions pending investigation.
- o Escalation to management and, if necessary, LFSA when fraudulent activity is suspected.

### 3. Employee-related measures

- o Background checks for employees in sensitive positions.
- o Segregation of duties to reduce fraud risk (no single employee should control an entire financial process).
- o Strict rules regarding conflicts of interest and use of Company assets.

### 4. Third-party and vendor measures

- o Due diligence on partners, suppliers, and service providers to ensure they are not involved in fraudulent or corrupt practices.
- o Ongoing monitoring of contractual obligations and delivery consistency.

### 5. Information systems and cybersecurity measures

- o Implementation of secure access, authentication, and encryption technologies.
- o Logging of all transactions and account activities to allow full traceability.
- o Fraud-detection software for real-time alerts.

#### INDEPENDENT CONTROL AND AUDIT

The Company implements an independent fraud compliance monitoring system. Its objectives:

- Identify, assess, and monitor fraud risks across all Company departments;
- Provide recommendations and reports to the Management Board for corrective action;
- Support internal controls through periodic audits and reviews;
- Highlight deficiencies and ensure corrective measures are applied promptly.

The Compliance Monitoring Division (working together with the Legal and Compliance Department) is empowered to conduct unannounced checks, review fraud-related processes, and escalate findings directly to the Board.

#### PREVENTIVE MEASURES

The Company executes preventive measures with the following objectives:

- Identify and address vulnerabilities in internal controls;
- Strengthen fraud detection capabilities across all business lines;
- Ensure employees act ethically and understand the implications of fraudulent conduct.

Preventive measures include:

- Mandatory employee training in fraud awareness and reporting obligations;
- Periodic evaluation of employee competence and knowledge in compliance and fraud prevention;
- Development of whistleblowing channels for secure, anonymous reporting;
- Implementation of “four eyes principle” in sensitive financial and operational decisions.

#### COMMUNICATION

Efficient communication ensures that fraud risks are promptly detected and escalated.

- Employees are required to immediately notify their supervisor or the Compliance Department if fraud is suspected.
- All departments must cooperate in providing timely and complete information during investigations.
- The Company cooperates transparently with LFSA and other competent authorities in Labuan and abroad regarding fraud prevention.

Communication principles include:

- Immediate reaction to internal reports and external regulator inquiries;
- Transparent disclosure of fraud-related risks in management meetings;
- Analysis of previous fraud cases to improve procedures.

#### DATA PROCESSING AND INFORMATION SECURITY

The Company ensures that its IT systems:

- Support the detection and analysis of fraudulent patterns in client accounts and transactions;
- Maintain a secure record of suspicious activity and related investigations;
- Provide full audit trails to support enforcement and litigation if necessary.

All data obtained during fraud detection or investigation is processed in accordance with data protection legislation of Malaysia and international privacy standards.

Client data gathered for fraud prevention will not be used for unrelated purposes, including marketing.

#### CORRECTION OF DEFICIENCIES

Where deficiencies in fraud prevention are identified:

- An action plan will be developed with assigned responsible employees;

- The Compliance Monitoring Division will oversee implementation;
- Annual reports on corrective measures will be submitted to the Management Board and Supervisory Board;
- Employee responsibility will be assessed according to the cause of deficiencies (negligence, lack of training, or intentional misconduct).

## POLICY IMPLEMENTATION AND RESPONSIBILITIES

The **Management Board** is responsible for ensuring the implementation of this Policy, allocating sufficient resources, and overseeing fraud risk management.

Responsibilities are divided as follows:

- **Management Board:** Approves fraud risk strategy, ensures adequate resources, and reviews annual fraud risk assessments.
- **Legal and Compliance Department:** Leads policy execution, monitors fraud risks, recommends preventive measures, and escalates cases.
- **Compliance Monitoring Division:** Conducts audits, inspections, and independent monitoring of fraud risks.
- **Employees:** Must comply with internal controls, participate in fraud prevention training, and immediately report suspicions.

At least once a year, the Management Board reviews implementation effectiveness, approves corrective measures, and ensures continuous improvement.

## REPORTING AND WHISTLEBLOWING

- Employees may report fraud through internal reporting channels, including an anonymous whistleblowing line.
- Confirmed or suspected fraud incidents must be reported to the Labuan Financial Services Authority or other competent bodies, in line with legal obligations.
- Whistleblowers are protected from retaliation.

## STORAGE OF DOCUMENTS

Documents connected to fraud prevention (reports, investigation files, audit results) are stored in compliance with Labuan legislation but not less than 5 years.

All records must be easily accessible for inspection by LFSA or other competent institutions.

## DISCIPLINARY AND LEGAL ACTIONS

- Employees engaged in fraud are subject to disciplinary measures, including dismissal and referral to law enforcement.
- Third parties engaged in fraud may have their contracts terminated and may be reported to competent authorities.
- Where clients are involved, the Company reserves the right to freeze accounts, terminate relationships, and escalate to regulators or criminal investigators.

## FINAL PROVISIONS

This Policy is binding on all Company employees, officers, and departments. It will be reviewed and updated annually to reflect changes in legislation, regulatory expectations, and industry best practices.