



ATERIAN PLC  
("Aterian" and/or the "Company")

### Fraud Policy

Approved by:	Name: Charles Bray		
	Title: Executive Chairman, Aterian PLC		
Current Version	Approved by	Approval Date	Effective date
1.0		10 May 2023	10 May 2023
Previous Version	Approved by	Approval Date	Effective date
N/A			

## **1. INTRODUCTION**

Aterian plc (“Aterian”) is committed to maintaining the highest standards of ethical behaviour, transparency, and accountability in all aspects of its business operations. This Fraud Policy outlines Aterian's commitment to preventing, detecting, and responding to fraud in compliance with the UK Listing Rules and the Quoted Companies Alliance (QCA) Corporate Governance Code.

## **2. POLICY STATEMENT**

Aterian has zero tolerance for fraud, which includes any intentional, deceptive, or dishonest act that results in a financial or non-financial loss to the company or its stakeholders. This policy establishes the framework within which all employees and stakeholders must operate to prevent and combat fraud effectively.

## **3. RESPONSIBILITIES**

3.1. Board of Directors: The Board of Directors holds ultimate responsibility for overseeing the implementation and effectiveness of this Fraud Policy. They are responsible for establishing appropriate systems of internal control, risk management, and compliance to prevent and detect fraud.

3.2. Employees and Stakeholders: All employees, directors, officers, contractors, suppliers, and consultants must act with integrity and in full compliance with this policy. They must promptly report any suspected fraudulent activity through established channels and cooperate fully in investigations.

## **4. FRAUD PREVENTION MEASURES**

Aterian plc will implement the following measures to prevent and deter fraud:

4.1. Internal Controls: Aterian will establish robust internal controls, including segregation of duties, authorization procedures, and regular review of financial and operational processes, to minimize the risk of fraud.

4.2. Risk Assessment: Aterian will conduct regular assessments to identify and evaluate fraud risks across its operations, allowing targeted preventive measures to be implemented.

4.3. Code of Conduct: Aterian will maintain and communicate a comprehensive Code of Conduct that sets out expected ethical behaviour and standards for all employees and stakeholders.

4.4. Whistleblowing Mechanism: Aterian will provide a confidential and independent mechanism for reporting suspected fraud, such as a hotline or dedicated email address, ensuring protection for whistleblowers against retaliation.

4.5. Training and Awareness: Aterian will provide regular training and awareness programs to educate employees and stakeholders about fraud risks, prevention strategies, and reporting mechanisms.

## **5. FRAUD DETECTION AND INVESTIGATION**

5.1. Detection Measures: Aterian will establish proactive monitoring systems, data analytics tools, and internal reporting mechanisms to identify potential fraud indicators, such as unusual financial transactions or anomalies in operational activities.

5.2. Investigation Process: Aterian will promptly and thoroughly investigate all reported suspicions or allegations of fraud, ensuring impartiality and preserving the confidentiality of those involved. Investigations will be conducted by competent personnel and appropriate legal or forensic experts may be engaged when necessary.

5.3. Reporting Obligations: Aterian will comply with all legal and regulatory reporting requirements, promptly notifying relevant authorities or regulators of any material instances of fraud.

## **6. CONSEQUENCES OF FRAUD**

Aterian takes fraudulent activities seriously and will take appropriate action to address any substantiated instances of fraud. Such actions may include disciplinary measures, termination of employment or contracts, legal proceedings, and recovery of losses.

## **7. COMMUNICATION AND REVIEW**

Aterian will communicate this Fraud Policy to all employees, stakeholders, and relevant third parties. The policy will be made readily accessible through the company's intranet or other appropriate channels. It will also be reviewed periodically to ensure its continued effectiveness and compliance with regulatory requirements.

This Fraud Policy demonstrates Aterian plc's commitment to maintaining a strong anti-fraud culture and complying with the UK Listing Rules and the QCA Corporate Governance Code. By implementing robust prevention measures, fostering awareness, and promptly investigating reported suspicions,

Aterian aims to protect the interests of its shareholders, employees, and stakeholders while upholding the highest standards of corporate governance.