

Policy on Anti-Fraud, Anti-Money Laundering, Anti-competitive practices

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1. Definitions

“**Associates**” shall mean all directors, officers, managers, employees (whether full-time, temporary, or part-time), trainees, interns, etc. of CACTUS.

“**Fraud**” can be defined as an abuse of knowledge or financial position that is executed intentionally to create a financial gain for the person committing the fraud or for a related person or entity and/or to cause a loss to another person or entity. Examples of fraud are

- Any dishonest or fraudulent act.
- Manipulation, forgery, falsification, or alteration of accounting records.
- Misappropriation of funds, supplies, or other assets.
- Disclosure of official activities or information for advantage.
- Theft or misuse of property, assets, facilities or services.
- Use of subcontractors because of personal relationship or profit from an official position.
- Impropriety in the handling or reporting of money or financial transactions.

“**Anti-Competitive Practices**” refers to actions taken by a company or group of companies that harm competition in the market typically to gain unfair advantage over competitors. This can be done through

- a. price fixing – i.e. agreements between competitors to set prices at a certain level, rather than allowing market forces to determine prices.
- b. market division – i.e. agreements between competitors to divide markets among themselves, either by geographic area, type of product, or customer segment, to avoid competition with each other.
- c. bid rigging – i.e. Collusion between competitors to manipulate the bidding process to ensure a predetermined outcome.
- d. predatory pricing i.e. - setting prices extremely low with the intent to drive competitors out of the market, after which prices are raised to higher levels.
- e. vertical restraints (i.e., restriction in competition at different levels of firm’s operations),

f. false or misleading advertising etc.

“Business Partners” shall mean any individual or organization, who/ which come into contact with CACTUS or transact with CACTUS including but not limited to all current, and potential clients, consultants, vendors, suppliers, business contacts, intermediaries, advisors, agents, freelancers, contractors, including their associates, freelancers, and contractors.

“Money laundering” is defined as the process to cover up illegally obtained money. The original source of the money or asset, usually a criminal action, is hidden and exchanged to appear legitimate.

“Stakeholders” shall mean collectively all Associates and Business Partners.

2. Objective

Cactus Communications Private Limited, including all its global affiliates and group companies (“CACTUS”/“Company”/ “we”/ “us”/ “our”) has a long-standing commitment to govern and conduct its business with integrity, honesty, fair dealing, and full compliance with all applicable laws and regulations. As part of our guiding principles, we emphasize ethical behavior, accountability, and transparency in all our operations.

We do not participate in or endorse any corrupt practices and within our business, there is zero-tolerance for any types of fraud, money laundering, anti-competitive practices or any other improper benefits contrary to this policy, local laws and regulations, industry standards or ethical codes in the countries in which we operate. This policy is to be read in conjunction with our Anti-Bribery and Corruption Policy.

3. Scope and Applicability

This policy on Anti-Fraud, Anti- Money Laundering and Anti-Competitive Practices (hereinafter, “Policy”) applies to all Stakeholders working for or on behalf of CACTUS (referred to as “you” or “your” in this Policy).

4. Third-Party Due Diligence

Due Diligence is a process of gathering sufficient information about a potential or existing business partner, to assess the risk associated with their activities, and ensure compliance with regulatory requirements, particularly in the context of anti-money laundering (AML) and counter-terrorism financing (CTF) measures. CACTUS is committed to implementing a due diligence process for its key business partners in the future. We will develop and introduce measures to systematically evaluate potential risks related to fraud, money laundering, and anti-competitive practices. Our goal is to ensure the integrity and compliance of our Business Partners with applicable laws and regulations. We are dedicated to maintaining the highest standards of ethical conduct in our operations and will take appropriate actions to prevent any involvement in illicit activities.

5. Implement Internal Controls

We shall implement the following internal control so as to timely identify any misconduct and address it in a timely and appropriate manner.

- For financial control, we shall segregate duties, conduct regular reconciliation, and implement rigorous approval processes to prevent and detect fraudulent activities.
- For transaction monitoring, we shall study the patterns of transaction regularly and report any unusual patterns or red flags to management to indicate potential money laundering. All transactions involving our Stakeholders must be recorded accurately and in reasonable detail in our books and records. A failure to do so may constitute an offence, and if any violation is made under applicable laws, then it shall constitute a criminal offence.
- We have an internal auditor, an external party, who conducts internal audits to check compliance with our internal policies and regulatory requirements to ensure adherence and effectiveness.

6. Monitoring and Reporting on Suspicious Activities

The following kinds of activities are to be treated as red flags and reported as per the procedure mentioned in this Policy:

- Business Partners whose identity verification seems difficult or if they appear not to cooperate.
- Where the source of the funds is not clear or not in keeping with business partner apparent standing/business activity.
- Transactions with Business Partners, including their affiliates, banks and financial institutions in high-risk jurisdictions (such as countries with low corruption perception index (CPI), i.e., a score given to a country basis their perceived levels of public sector corruption. Countries with low CPI are often associated to be tax havens, subject to sanctions, known to provide support to terrorist organizations).
- Substantial increases in business with suspicious cause.
- Unusually large cash deposits made by an individual or business.
- Business Partners doing payment in cash for the services rendered by CACTUS.
- Transfer of investment proceeds to apparently unrelated third parties.

The above-mentioned list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions, and other facts and circumstances.

7. Awareness and Training

It is our commitment to ensure that this Policy is available and understood throughout our organization through proper communication and the Stakeholders are educated on recognizing the signs of frauds, money laundering, and anti-competitive practices; To meet this objective, the following will be executed:

- Dissemination of this Policy for new Associates shall be carried out at the time of induction.
- This Policy will be communicated to all existing Associates via Company's Intranet.
- This Policy will be communicated to all Business Partners, wherever possible, at the outset of CACTUS' business relationship with them or as appropriate thereafter.

Appropriate and periodical training on this Policy will be provided to Associates to educate them about the principles and requirements of this Policy.

8. Raising a concern or complaint

We foster a corporate culture that values ethics and integrity, encouraging Stakeholders to uphold ethical standards and report any misconduct. Additionally, we ensure the confidentiality of our Stakeholders is maintained.

The prevention, detection, and reporting fraud and anti-competitive practices is the responsibility of all those working for or with CACTUS. You are required to avoid any activity that might lead to or suggest a breach of this Policy.

If any Stakeholder of the Company wants to raise a concern regarding any exchange of fraud, money-laundering and anti-competitive behavior which violates the requirements of this Policy, they can do so by raising the concern through Protected Disclosure under Whistle Blower Policy.

9. Zero Retaliation

CACTUS is committed towards no retaliation provisions towards Stakeholders who file reports or complaints under this Policy. CACTUS aims to prevent victimization and other retaliatory behavior towards the Stakeholders, so they aren't afraid to speak up about any issues. To ensure that this Policy is adhered to and to assure that the concerns or grievances will be acted upon seriously, CACTUS shall ensure that

- a. the Stakeholder reporting under this Policy is not victimized and adequate safeguards against such victimization are provided;
- b. complete confidentiality of the reporting Stakeholder is maintained;
- c. suitable action is taken against any person violating this Policy.

10. Monitoring and Review

CACTUS will establish appropriate measures to ensure compliance with the relevant policies, procedures, and controls. CACTUS will monitor the effectiveness and review the implementation of this Policy regularly, considering its suitability, adequacy, and relevance. Any improvements identified will be made as soon as possible. CACTUS reserves the right to amend, suspend or terminate this Policy at any time, at its sole discretion, with or without notice.

