

Anti-bribery, Anti-Corruption & Improper Advantages Corporate Policy

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PURPOSE

The nature of our business often requires that we interact with officials, medical and investigation laboratories of various governments around the world, companies and their departments, manufacturers, representatives and other third, affiliated or connected parties. The purpose of this Policy is to establish controls to ensure compliance with all applicable anti-bribery, corruption and improper advantages regulations, and to ensure that the Company's business is conducted in a socially responsible manner.

Our company is committed to maintaining the highest ethical standards and vigorously enforces the integrity of its business practices wherever it operates throughout the world. The company will not engage in bribery or corruption.

Our Code of Business Conduct, the domestic and international law, this Anti-Bribery, anti-corruption and improper advantages corporate Policy establish certain limits on those interactions, particularly where we might be providing something of value to any other Party. This policy is intended to provide a level of awareness about the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and Ukrainian set of current Anti-corruption laws, other international anti-bribery laws in order to avoid inadvertent violations and to recognize potential issues in time for them to be addressed appropriately. It is vital that we do not only understand and appreciate the importance of this Policy, but also comply with in our daily works, services providing and collaborations.

The Company's Anti-Bribery, Anti-corruption and Improper advantages Policy provide guidance on how to conduct business in a fair, ethical and legal manner.

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Nikolas Romanok
Commercial director





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DEFINITIONS

Business integrity involves the application of the company's core values. The opposite of integrity is dishonest behavior, including corruption that could undermine Control Risks' reputation for fair dealing.

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Bribery in broad terms is the receiving or offering of undue reward or anything of value and includes payments to secure a business advantage, financial or otherwise, to which the company is not entitled. Anything of value can be a bribe, including a gift in kind or some other favor. It will involve the giver and the receiver in the improper performance of a personal, company or official responsibility.

Corruption can include graft, bribery, facilitation payments or other forms of improper business practice. It has the same attributes as set out under *Bribery* above. It can be summarized as the misuse of entrusted power or office, whether in the public or private sector, for private gain.

Kickbacks arise when suppliers or service providers pay part of their fees to the individuals who give them the contract or some other business advantage.

Facilitation payments are small bribes to officials with a view to speeding up routine governmental transactions to which the payer is already entitled. Examples include payments to speed up customs clearances and extra fees to officials.

Government official for the purposes of this Policy, the term "government official" is broadly defined to include:

- Any officer or employee of any government entity, department, or agency;
- Any employee of a state or government-owned business, school, hospital, investigation laboratory or other entity;
- Any political party or official thereof;
- Any candidate for political official appointment;
- A public international organization or any department or agency thereof;
- Any person acting in an official capacity on behalf of a government entity;

POLICY DETAILS: BRIBES AND KICKBACKS

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

The company does not take part in acts of corruption, or pay bribes or receive kickbacks either directly or indirectly. The company prohibits its employees from engaging in acts of corruption, and from paying bribes or kickbacks to, or accepting bribes or kickbacks from, public officials and private individuals such as the personnel of companies, which the company does business with. These principles apply globally to all public and private business transactions involving Cratia and its affiliated companies.

It is the responsibility of all employees who are involved at any time in engaging the services of external consultants, suppliers, consumers, customers or advisers to ensure that such individuals are made aware of the content of the company's Anti-Bribery, Anti-Corruption & Improper advantages Corporate Policy at the outset of the relationship and on a regular basis thereafter.

FACILITATION PAYMENTS

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The company and its employees will not make facilitation payments even if such payments are local practice or a custom. The company accepts that refusal to make illicit payments may lead to commercial delays or expenses, for example, in the processing of government papers, and that there may be a commercial cost to the company attributable to this Policy.

The company recognizes that demands for facilitation payments are often backed by a form of extortion and that in exceptional circumstances resistance may not be feasible. An extreme example would be a demand for payment to secure an emergency admission into hospital. In such circumstances, the company accepts that staff will need to use their best judgment. Staff must report any incident where they feel forced to make a facilitation payment to their line manager or to CEO directly at the earliest opportunity.

PUBLIC OFFICERS AND POLITICAL CONTRIBUTIONS

Bribing or corrupting a public official is a serious offence, which can carry severe penalties and can cause significant reputational damages. This policy provides hard-grained prohibition on gifts and hospitality. We do not make donations, whether in cash or kind, in support of any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

GIFTS, HOSPITALITY AND EXPENSES

It is not always easy to identify whether providing gifts, meals and entertainment (or other hospitality) would be considered a corrupt act under Applicable Corruption Laws.

Under certain circumstances, it may be permissible under such laws to provide modest gifts or a meal or other entertainment as a social amenity. Generally, gifts, meals and entertainment are permissible, provided that:

- ✓ There is no expectation that the gift, meal, or entertainment is given in exchange for any return favor or business advantage (*quid pro quo*);
- ✓ The gift, meal, or entertainment is infrequent, reasonable, and proportionate in amount under the circumstances;

When deciding whether a gift is appropriate, employees also must take into account any past, pending or future business or administrative matters that are within the recipient's realm of influence. The timing and context surrounding such gifting must be weighed in order to assess whether any particular gifting could objectively be perceived to be a bribe.

Company employees may not offer to, or accept from, third parties, gifts, hospitality, rewards, benefits or other incentives that could affect either party's impartiality influence a business decision or lead to the improper performance of an official duty. Similarly, they may not offer or accept any donations.

Company employees may offer and accept 'reasonable' and 'proportionate' gifts and entertainment, such as dinner, theatre parties or sporting events. In determining what is reasonable and proportionate, employees should consider the value of the gift or benefit as well as the frequency with which the same or similar gift or benefit is offered. In all cases they must ensure that the gift or benefit:

- is being given as an expression of goodwill and not in expectation of a return favor (a gift designed to secure a return favor could be seen as a bribe);
- is commensurate with generally accepted standards for hospitality taking into account the norms for the industry/professional sector and the territory (country customs) in which it is offered;
- is being provided openly and transparently, and is of a nature that will not cause the company embarrassment if publicly reported;
- complies with local laws and regulations, including the recipient's own rules (bearing in mind that government rules on offering and receiving gifts or benefit are often particularly tight);
- meets the value limits set by the company and has all required approvals. In cases of uncertainty, employees must seek advice from their line managers or CEO directly.

All the approvals before must be given in writing way, and records of gifts received, from whom and by whom, must be recorded in an office or function log established for such purposes. Spouses or partners may be included in an invitation to, for example, a sporting event or dinner, where this does not create or give the appearance of an inducement. The same approval limits apply in the case of joint invitations.

CHARITABLE DONATIONS

Charitable support and donations are acceptable (and indeed are encouraged), whether of in-kind services, knowledge, time, or direct financial contributions. However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery.

We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the company CEO.

All charitable contributions should be publicly disclosed.

As part of its corporate citizenship activities, the company may support local charities or provide sponsorship, for example, to sporting or cultural events. Any such sponsorship must be transparent and properly documented. The company will only provide donations to organizations that serve a legitimate public purpose, and which are themselves subject to high standards of transparency and accountability. Appropriate due diligence must be conducted on the proposed recipient charity and a full understanding obtained as to its bona fides.

BUSINESS RELATIONSHIPS

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The company expects its business partners to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this policy. This requirement applies to agents, subcontractors and joint venture partners. In cases where the company is unable to ensure these standards, it will reconsider the business relationship.

The company will communicate its Policy to its suppliers and contractors, and it will expect them to abide by the principles set out in the Policy when working on the company's behalf. If those principles are breached, the company will reserve the right to terminate collaboration.

SCOPE OF COVERING / ELIGIBILITY

This Policy applies to all employees (whether permanent, fixed-term or temporary) and affiliated companies of the Cratia and its world-wide subsidiaries, including officers, directors, agents, applicers and subcontractors.

In this policy, third party means any individual or organization Cratia come into contact with during the course of its collaboration, and includes actual and potential clients, customers, suppliers, distributors, business contacts, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties. This policy applies to all individuals working at all levels and grades, including senior managers, officers, consultants, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with Cratia, or any of its subsidiaries.

Any employee who violates the terms of this Policy will be subject to disciplinary action. Any employee who has direct knowledge of potential violations of this Policy but fails to report such potential violations to Company management will be subject to disciplinary action. Any employee who misleads or hinders investigators inquiring into potential violations of this Policy will be subject to disciplinary action. In all cases, disciplinary action may include termination of employment. Any third party agent who violates the terms of this Policy, who knows of and fails to report to Cratia management potential violations of this Policy, or who misleads investigators making inquiries into potential violations of this Policy, may have their contracts re-evaluated or terminated. Basis on the monthly results of the implementation plan, the company's head office (at its discretion) may encourage and motivate its staff giving an awards, which have no any similarity with bribes.

AUDITING

Company personnel will conduct periodic audits of relevant company operating units to help ensure the Company's continued compliance with applicable corruption Laws and this Policy. If you observe conduct that may violate this Policy, contact Company legal counsel or CEO directly or the phone numbers found on the website. Suspected violations will be reviewed and investigated as appropriate and may lead to disciplinary action. Any such reporting shall be treated as confidential to the extent permitted by law. The Cratia Company prohibits retaliation for good faith reports of suspected misconduct.

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TRAINING AND COMMUNICATION

Training on this policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this policy. Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

All the Company employees must to:

- accurately record all transactions, even when the transaction might violate domestic or foreign laws or regulations;
- never agree to requests for false invoices or for payment of expenses that are unusual, excessive, inadequately described, or otherwise raise questions under these guidelines;
- never make any payments to anonymous accounts that are in the name of neither the payee nor an entity known to be controlled by the payee.

The Company Secretary will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing. Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Company Secretary.

