

APPROVED
by the Order of
the Managing Director of
"TerraLink" GC
No. 1110/19
Dated October "11", 2019


_____/ Lewin Ronald

**REGULATION ON ANTI-CORRUPTION POLICY OF
THE "TERRALINK" GROUP OF COMPANIES**

1. PURPOSE OF THE DOCUMENT, GENERAL PROVISIONS

1.1. This Regulation “On Anti-Corruption Policy” (hereinafter referred to as the “Regulation”) has been developed for the purpose of protecting the civil and political rights, ensuring law, order and public safety, being the basic document of the “TerraLink” Group of Companies (hereinafter referred to as the “TerraLink” GC”), which defines key principles and requirements aimed at preventing corruption and complying with applicable anti-corruption laws by management board, employees and other persons who may act on behalf of “TerraLink” GC.

1.2. This Regulation has been developed in accordance with the Federal Law dated 25.12.2008 No. 273-FZ “On Fight Against Corruption”, the US Foreign Corrupt Practices Act (hereinafter referred to as the “US FCPA”), and the UK Bribery Act (hereinafter referred to as the “UK BA”), as well as Canadian anti-corruption laws.

1.3. Anti-corruption measures of “TerraLink” GC shall be focused on:

- prevention of corruption, including the identification and subsequent elimination of the causes of corruption (corruption prevention);
- identification, prevention, suppression of corruption offenses (fight against corruption);
- minimization and (or) elimination of the consequences of corruption offenses.

2. BASIC DEFINITIONS APPLICABLE IN THE REGULATION

2.1. For the purposes of this provision, the following basic definitions shall be used:

Anti-corruption policy: the activities of “TerraLink” GC focused on creating an effective system of corruption prevention;

“TerraLink” Group of Companies: includes the holding company “TerraLink Technologies Management Ltd”, as well as all its subsidiaries and branches located both in Canada and abroad, including in the Russian Federation (Limited Liability Company “TerraLink”, etc.);

Corruption: acceptance of property benefits in one’s own interests, as well as in the interests of other persons, personally or through intermediaries, as well as taking advantage of persons working in the Companies belonging to “TerraLink” GC using their official powers and related capabilities, and equal to the bribery of these persons by the unlawful provision of the indicated benefits and advantages by individuals and (or) legal entities;

Corruption offense: act that has signs of corruption, for which the civil law, disciplinary, administrative or criminal liability shall be provided in accordance with regulatory legal acts;

Corruption factor: event or combination of events that cause corruption offenses or contribute to their spread;

Regulation on anti-corruption policy: this Regulation, which includes, inter alia, all annexes and supplements.

Corruption Prevention: activity of “TerraLink” GC in the field of anti-corruption policies focused on identifying, studying, restricting or eliminating the events that cause corruption offenses or contribute to their spread.

3. PURPOSES OF THE REGULATION

3.1. This Regulation shall reflect the commitment of “TerraLink” GC and its management board to high ethical standards and principles of open information reporting on services provided, works performed, corporate fees set, as well as the desire of “TerraLink” GC to improve its corporate culture, pursue the best practices of corporate management and maintain the business reputation of the organization at the appropriate level.

3.2. The following goals shall be established by “TerraLink” GC:

- to minimize the risk of involvement of the organization, management and workers (employees) of the Companies belonging to “TerraLink” GC in corruption activities, regardless of their position;
- to develop a uniform understanding of these Regulations of “TerraLink” GC among counterparties, employees and other persons on the rejection of corruption in all forms and manifestations;
- to summarize and clarify the basic requirements of the anti-corruption law of the Russian Federation, the United States of America, the Kingdom of Great Britain, which may apply to the Companies belonging to “TerraLink” GC and employees;
- to charge employees of the Companies belonging to “TerraLink” GC with knowledge and terms of compliance with the principles and requirements of this Regulation, key norms of applicable anti-corruption legislation, as well as adequate measures to prevent corruption.

4. PRINCIPLES OF THE REGULATION

4.1. All employees of the Companies belonging to “TerraLink” GC shall be guided by this Regulation and strictly observe its principles and requirements.

4.2. The head of each Company belonging to “TerraLink” GC shall be responsible for organizing all activities focused on implementing the principles and requirements of these Regulations, including the appointment of persons responsible for the development of anti-corruption measures, their implementation and supervision.

4.3. The principles and requirements of this Regulation apply to counterparties and representatives of the Companies belonging to “TerraLink” GC, as well as to other persons in cases where the respective obligations are set in agreements with them, in their internal documents or directly arise out of the relevant laws.

4.4. The management board of companies, as well as the management board of structural subdivisions of the Companies belonging to “TerraLink” GC, form an ethical standard for an uncompromising attitude to any forms and manifestations of corruption, setting an example by their behavior and introducing the anti-corruption policies to all employees and contractors.

4.5. During the creation of a system of anti-corruption measures, “TerraLink” GC shall build upon the following key principles of corruption prevention:

4.5.1. The principle of compliance of the institution with applicable law and generally accepted standards. Compliance of implemented anti-corruption measures with the Constitution of the Russian Federation, the legislation of the Russian Federation and other regulatory legal acts, the laws of Canada, the laws of the United States of America, including US FCPA, the laws of the Kingdom of Great Britain, including UK BA, applicable to companies and institutions.

4.5.2. The tone at the top principle.

A critical role of the management board of the Companies belonging to “TerraLink” GC is to create a culture of intolerance to corruption and develop a corporate system for preventing and fighting against corruption.

4.5.3. The principle of employee involvement.

Awareness of employees of the institution about the provisions of anti-corruption legislation and their active participation in the formation and implementation of anti-corruption standards and procedures.

4.5.4. The principle of proportionality of anti-corruption procedures to the corruption risk.

The development and implementation of a set of measures to reduce the likelihood of involving a company belonging to “TerraLink” GC, its manager and employees in corruption activities, shall be carried out with due consideration of the corruption risks existing in the activities of such company.

4.5.5. The principle of effectiveness of anti-corruption procedures.

The use of such anti-corruption measures at a company belonging to “TerraLink” GC that have a low cost, simplicity of implementation and bring significant results.

4.5.6. The principle of responsibility and inevitability of punishment.

The inevitability of punishment for employees of companies belonging to “TerraLink” GC, regardless of their position, length of service and other conditions, in case they commit corruption offenses related to the performance of their duties, as well as the personal responsibility of the management board of companies belonging to “TerraLink” GC for the implementation of corporate anti-corruption policy.

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4.5.7. The principle of continuous supervision and regular monitoring.

Regular monitoring of the effectiveness of the implemented anti-corruption standards and procedures, as well as supervising their implementation.

For the abovementioned purposes, the Compliance Committee is established within "TerraLink" GC whose main objectives shall be monitoring compliance with anti-corruption standards and procedures, analyzing and preventing situations of corruption, and eliminating the risks of negative consequences associated with the corrective actions made by "TerraLink" GC for non-compliance with legal requirements and principles of ethic conduct of business in the target markets.

5. ANTI-CORRUPTION LAWS

5.1. The Companies belonging to "TerraLink" GC, including all employees, shall comply with the statutory provisions of the Russian anti-corruption legislation established, inter alia, by the Criminal Code of the Russian Federation, the Code of the Russian Federation "On Administrative Offenses", the Federal Law "On Fight Against Corruption", the statutory provisions of legislation of the United States of America in terms of fight against corruption, including those established by US FCPA, the statutory provisions of the Kingdom of Great Britain in fight against corruption, including those established by UK VA, the statutory provisions established by this Regulation and other regulations, the main requirements of which are prohibition of giving and taking bribes, prohibition of commercial bribery and prohibition of mediation in bribery.

5.2. That being said, all employees of the Companies belonging to "TerraLink" GC shall be strictly prohibited from participating in corruption activities, directly or indirectly, personally or through third parties, as well as offering, giving, promising, asking and receiving bribes or making payments to simplify administrative, bureaucratic and other formalities in any form, including in the form of cash, valuables, services or other benefits, to any persons and from any persons or organizations, including commercial organizations, government authorities and self-governing bodies, public servants, private companies and their representatives.

6. GIFTS AND REPRESENTATION COSTS

6.1. Gifts made by the employees on behalf of a Company belonging to "TerraLink" GC to other persons and organizations, and gifts received by the employees in connection with their activities in a Company belonging to "TerraLink" GC from other persons and organizations, as well as representation costs, including expenses of employees of a Company belonging to "TerraLink" GC on business entertainment of a Company belonging to "TerraLink" GC, shall simultaneously meet the following criteria:

- be directly related to the legitimate objectives of the Company belonging to "TerraLink" GC, or national holidays (New Year, March 8th, February 23rd, etc.) and applicable in accordance with the financial condition of such company;
- be reasonable, proportionate and not luxurious. The value of the gift may not exceed 3 000.00 (Three thousand) rubles (Clause 2 of Article 575 of the Civil Code of the Russian Federation);
- be acquired by agreement with the head of the Company belonging to "TerraLink" GC;
- constitute no hidden fee for a service, action or inaction, oversight, patronage, granting rights, making a specific decision on a transaction, agreement, permit, etc. or an attempt to influence the recipient for any other illegal or unethical purpose;
- create no reputation risk for both the Company belonging to "TerraLink" GC and the entire "TerraLink" Group of Companies, as well as for employees and other persons in the event of disclosure of information about gifts and representation costs;
- contradict to no principles and requirements of this Regulation, code of business ethics, other internal documents of the Companies belonging to "TerraLink" GC and the provisions of applicable law.

6.2. Gifts to third parties on behalf of the Companies belonging to “TerraLink” GC, their employees and representatives in the form of monetary assets, both cash and non-cash, regardless of currency, shall not be allowed.

7. PARTICIPATION IN CHARITY EVENTS AND SPONSORSHIP

7.1. The Companies belonging to “TerraLink” GC may decide to participate in charity events and sponsorship activities in proportion to the financial condition of such companies. At the same time, the budget and plan for participation in the event and activities shall be agreed with the head of such company.

8. INTERACTION WITH PUBLIC SERVANTS

8.1. The Companies belonging to “TerraLink” GC shall not independently or through their employees pay any expenses (cash, loans, services, entertainment, leisure, transportation and other fees) for government employees and their close relatives (or in their interests) in order to obtain or maintain advantages for such companies in commercial activities.

8.2. Interaction with public servants shall not violate the requirements of this Regulation and applicable law.

8.3. Employees of the Companies belonging to “TerraLink” GC shall bear independent responsibility for corrupt practices upon their own interaction with government officials in accordance with applicable law.

9. INTERACTION WITH EMPLOYEES

9.1. “TerraLink” Group of Companies shall require employees of the companies belonging to “TerraLink” GC to comply with this Regulation, informing them of the key principles, requirements and sanctions for violations.

9.2. “TerraLink” GC shall organize safe, confidential and accessible means of informing the management boards of the companies belonging to “TerraLink” GC (a written statement addressed to the head or person responsible for anti-corruption policies, or personal communication; telephone or fax messages; e-mail) about bribery on the part of persons providing services in the interests of a commercial organization or on its behalf. The head of a company belonging to “TerraLink” GC may receive suggestions for improving anti-corruption measures and supervision, as well as requests from employees and third parties.

9.3. To form an appropriate level of anti-corruption culture, new employees shall be given an introductory briefing on these Regulations and related documents hereto, and informational events are held for existing employees from time to time.

9.4. Compliance with the principles and requirements of these Regulations by employees of the companies belonging to “TerraLink” GC shall be taken into account when forming a personnel reserve for promotion to higher posts, as well as when imposing disciplinary sanctions.

9.5. “TerraLink” GC shall formalize the following duties of employees related to the prevention and fighting against corruption:

- to abstain from committing and (or) participating in corruption offenses in the interests of or on behalf of the companies belonging to “TerraLink” GC;
- to abstain from behavior that may be interpreted by others as a willingness to commit or participate in a corruption offense in the interests of or on behalf of “TerraLink” GC;

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- to immediately inform the direct supervisor/person responsible for the observance of the anti-corruption policy/management board of the company belonging to “TerraLink” GC about incidents of an employee being persuaded to commit corruption offenses;
- to immediately inform the direct supervisor/person responsible for the observance of the anti-corruption policy/management board of the company belonging to “TerraLink” GC about information that has become known to the employee about cases of corruption offenses by other employees, contractors of such company or other persons;
- to inform the direct supervisor or other responsible person about the possibility or occurrence of a conflict of interest on part of the employee.

10. INTERACTION WITH CONTRACTORS AND OTHER PERSONS, CHECK OF CONTRACTORS

10.1. Companies belonging to “TerraLink” GC and their employees shall be prohibited from appointing or using contractors, partners, agents, joint ventures or other persons to perform any actions that are contrary to the principles and requirements of this Policy or the provisions of applicable anti-corruption legislation.

10.2. The companies belonging to “TerraLink” GC shall carry out the selection of substantial parties for the provision of works and services to such companies on the basis of a tender (auction, other procurement methods), the main principles of which is the selection of a party at the best competitive prices, establishing:

- market analysis of the offered services;
- equality, fairness, lack of discrimination and unreasonable restrictions on competition with respect to counterparties;
- an honest and reasonable choice of the most preferable offers in a comprehensive analysis of the benefits and costs (primarily prices and product quality);
- targeted and cost-effective spending of funds for the purchase of goods, work, services (taking into account, if necessary, the cost of the service life of purchased products) and the implementation of measures focused on reducing the expenses of the institution;
- the absence of restrictions on access to participation in the procurement process by establishing excessive requirements for the counterparty;
- prevention of corruption, conflict of interest and other authority abuses.

10.3. “TerraLink” GC shall seek to do business with counterparties supporting the requirements of anti-corruption legislation and/or counterparties declaring their rejection of corruption.

10.4. “TerraLink” GC declares that it refuses to inspire employees of the counterparty in any way, including by providing cash, gifts, gratuitous performance of work (services) to them and other ways not mentioned here, which puts the employee of the counterparty in a certain dependence and aimed at ensuring that this employee performs any actions in favor of “TerraLink” GC.

10.5. “TerraLink” GC shall make reasonable efforts to minimize the risk of business relations with counterparties that may be involved in corruption activities, for which purpose it checks the counterparties' tolerance for bribery, including check for their own anti-corruption procedures or policies, their readiness to comply with the requirements of this Policy and include anti-corruption conditions (provisions) in the agreements, as well as provide mutual assistance for the ethical conduct of business and prevention of corruption.

10.6. In accordance with the anti-corruption provision, the companies belonging to “TerraLink” GC and their counterparties (partners) shall be required to:

- immediately notify each other in writing of any cases of violation of anti-corruption legislation;

- make it clear to others when making any transactions that they are required to comply with the anti-corruption laws.

10.7. In accordance with the anti-corruption clause, if “TerraLink” GC has objective (reasonable and bona fide) evidence of violation by the counterparties of anti-corruption legislation, a corresponding notice shall be sent to the counterparty with a request to provide appropriate clarifications within the prescribed time. Failure to provide sufficient evidence that expressly confirms the absence of the violation of anti-corruption legislation shall be considered as a violation of the essential terms of the agreement (material violation) concluded by and between the Company belonging to “TerraLink” GC and its counterparty, and gives the right of such Company to terminate the agreement unilaterally out of court (fully repudiate the agreement), or suspend its further execution unilaterally in some part of it (partially repudiate the agreement) by sending a respective written notice. The Agreement shall be considered terminated accordingly or the fulfillment of the obligations suspended by the initiating party thereunder from the moment specified in such a written notification, but not earlier than 10 (ten) calendar days after the receipt of the original copy of the specified notification. In this case, the company belonging to “TerraLink” GC shall have the right to demand compensation from its counterparty for actual damage resulting from such termination in accordance with the provisions of the anti-corruption clause.

11. INFORMATION SHARING AND INSTRUCTIONS

11.1. “TerraLink” GC shall publish this Policy at free access on the Internet, openly declare nonacceptance of corruption, welcome and encourage compliance with the principles and requirements of this Regulation by all companies belonging to “TerraLink” GC, their employees, contractors and other persons.

11.2. “TerraLink” GC shall promote an increase of anti-corruption culture by informing and systematically educating employees in order to maintain their awareness of the anti-corruption policy of “TerraLink” GC and mastering the ways and methods of applying the anti-corruption policy in practice.

12. ANTI-CORRUPTION ACTIVITIES

12.1. The anti-corruption policy of “TerraLink” GC shall include a list of specific measures that must be implemented to prevent and fight against corruption.

12.1.1. Regulatory support, fixing norms of behavior and memorandum of intent:

- development and adoption of a code of ethics and official conduct of employees;
- development and adoption of a conflict of interest clause;
- creation of the Compliance Committee;
- development and adoption of the procedure for filing and consideration of applications for committing corruption offenses;
- introduction of a standard anti-corruption clause into the newly concluded agreements related to business activities of the companies belonging to “TerraLink” GC.

12.1.2. Development and introduction of special anti-corruption procedures:

- introduction of a procedure for informing an employer by employees about cases of their persuasion to commit corruption offense;
- introduction of a procedure for informing the employer about information that has become known to the employee about cases of corruption offenses committed by other employees, counterparties of a company belonging to “TerraLink” GC or other persons;

12.1.3. Training and informing employees:

- introduction of regulatory documents governing the prevention and fight against corruption to employees against signature;

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- conduct of training activities on the prevention and fight against corruption;
- organization of individual counseling for employees on the appliance (observation) of anti-corruption standards and procedures;

12.1.4. Ensuring compliance of the institution's internal control system with the requirements of the anti-corruption policy:

- monitoring the accounting data, availability and reliability of primary accounting documents.

13. MONITORING AND SUPERVISION, INTRODUCTION OF CHANGES

13.1. In connection with the possible change of corruption risks in time as well as other factors affecting business activity, “TerraLink” GC shall monitor the implementation of adequate measures to prevent corruption, supervise their compliance, and, if necessary, review and improve them.

13.2. When identifying insufficiently effective provisions of these Regulations or related anti-corruption measures of “TerraLink” Group of Companies, or when changing the requirements of applicable law, the managing director of “TerraLink” GC shall organize the development and implementation of an action plan to review and amend these Regulations and/or anti-corruption measures.

14. INTERNAL MONITORING

14.1. Monitoring the documentation of business operations of companies belonging to “TerraLink” GC shall be primarily associated with the obligation to maintain financial (accounting) statements by companies and focused on preventing and identifying relevant violations: drawing up unofficial reports, using forged documents, record of non-existent expenses, lack of primary accounting documents, correction of documents and statements, destruction of documents and statements of a previously established term, etc.

14.2. The verification of the economic feasibility of transactions in the areas of corruption risk can be carried out in relation to the exchange of business gifts, representation costs, charitable donations, remuneration to external consultants and other areas. In this case, it is necessary to pay attention to the presence of circumstances, indicators of illegal actions.

14.3. All financial transactions shall be accurately, correctly and with a sufficient level of detail reflected in the accounting records of the companies belonging to “TerraLink” GC, documented and available for verification.

14.4. Misrepresentation or falsification of the financial statements of companies belonging to “TerraLink” GC shall be strictly prohibited and considered as fraud.

15. WAIVER OF COUNTERMEASURES AND SANCTIONS

15.1. “TerraLink” GC declares that not a single employee will be subjected to sanctions (including dismissal, demotion, forfeit of a bonus payment) if he reported an alleged fact of corruption, refused to give or receive a bribe, commit commercial bribery, or mediate in bribery, including if, as a result of such refusal, the company belonging to “TerraLink” GC has lost profit or has not received commercial and competitive advantages.

16. COOPERATION WITH LAW ENFORCEMENT AGENCIES IN THE FIGHT AGAINST CORRUPTION

16.1. Cooperation with law enforcement agencies is an important indicator of true commitment of “TerraLink” Group of Companies to their declared anti-corruption standards of behavior. This cooperation may be carried out in various forms:

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- necessity to report to the relevant law enforcement bodies about cases of corruption offenses that became known to “TerraLink” GC;
- rendering assistance to authorized representatives of supervisory and law enforcement bodies during their inspections of the activities of the companies belonging to “TerraLink” GC on the prevention and fight against corruption;
- assisting authorized representatives of law enforcement agencies in carrying out measures to suppress or investigate corruption-related crimes, including operational search actions;
- management board of the companies belonging to “TerraLink” GC and employees should not interfere in the performance of official duties by officials of the judicial or law enforcement agencies.

17. LIABILITY FOR NONPERFORMANCE (IMPROPER PERFORMANCE) OF THIS REGULATION

17.1. Managing Director of “TerraLink” GC, management boards of companies belonging to “TerraLink” GC and employees of all divisions of “TerraLink” GC, regardless of their position, shall be liable under the applicable laws of the Russian Federation, the laws of Canada, the laws of the United States of America , the laws of the Kingdom of Great Britain, for compliance with the principles and requirements of this Regulation, as well as for actions (inaction) of subordinates which violate these principles and requirements.

17.2. Violators of the requirements of this Regulation may be brought to disciplinary, administrative, civil or criminal liability on the initiative of “TerraLink” GC, law enforcement agencies or other persons in the manner and on the grounds provided for by applicable law, local regulations and labor contracts.