

**CYANCONNODE HOLDINGS PLC
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ANTI-BRIBERY AND CORRUPTION POLICY

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ANTI-BRIBERY AND CORRUPTION POLICY

Introduction

CyanConnode has a zero tolerance approach to bribery and corruption and this policy sets out the general rules and principles to which the Company adheres and with which all employees must comply. It applies to the Company and to all divisions and subsidiaries of its group (referred to collectively in this policy as the "**Group**") and extends to all business dealings and transactions in all countries in which it or its subsidiaries and associates operate.

It will be communicated to all businesses and employees overseen by the Board of the Company, as well as relevant third-party representatives and other necessary individuals and entities. Those who work in areas within our business identified as being particularly high risk will receive additional training and support in identifying and preventing corrupt activities.

This policy explains the procedures through which the Company can maintain its high ethical standards and protect its reputation against any allegations of bribery and corruption. By following this policy and making sensible decisions, you can help maintain the Company's reputation as an ethical and highly reputable company and ensure you comply with laws which apply to you. The Company will keep the contents of this policy under review and so from time to time you may be issued with amendments to policies and procedures and you will be notified of any such changes.

Successful implementation of this policy requires pro-active adoption at the following levels:

- Employees of the Company and the Group, regardless of where you may work, are required to read and understand all aspects of this policy, and abide by it as well as any applicable local laws. You are not required to be experts in the relevant laws but are expected to comply with the Company's ethical standards and to seek guidance from the Human Resources Department whenever any uncertainty regarding those laws or standards arises. You must review these guidelines carefully and to discuss any questions you may have with the Human Resources Department.
- Local Management –Your manager will ensure adherence to sections 6, 7 and 8 of this policy. The overall compliance with the requirements of this policy by each division of the Company is the responsibility of the Company Secretary.
- The Board – The board of directors will assist with continuous refreshing and reinforcing of this policy via application guidance and monitoring.

1. It is the Company's policy to conduct business in an honest way and without the use of corrupt practices or acts of bribery to obtain an unfair advantage. Failure to comply with this policy will result in disciplinary action being taken.

- 1.1 The Company is committed to ensuring adherence to the highest legal and ethical standards. This must be reflected in every aspect of the way in which we operate. We must bring integrity to all our dealings. Bribery and corruption harms the societies in which these acts are committed and prevent economic growth and development.
- 1.2 This is not just a cultural commitment on the part of the organisation; it is a moral issue and a legal requirement. Bribery is a criminal offence in many countries, and corrupt acts expose the Company and its employees to the risk of prosecution, fines and imprisonment, as well as endangering our reputation.
- 1.3 This policy has been adopted by the Company and is to be communicated to everyone involved in our business to ensure their commitment to it. The Board attaches the utmost importance to this policy and will apply a "zero tolerance" approach to acts of

bribery and corruption by any of our employees or third-party representatives. **Any breach of this policy will be regarded as a serious matter by the Company and is likely to result in disciplinary action, up to and including dismissal with or without notice.**

2. What is bribery and corruption?

2.1 **Bribery** is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Corruption is the misuse of public office or power for private gain or misuse of private power in relation to business outside the realm of government.

2.2 Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is irrelevant.

2.3 The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

2.4 *What is a bribe?*

Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a 'quid pro quo' – both parties will or are expected to benefit. A bribe could be:

- the direct or indirect promise, offering, or authorisation, of anything of value;
- the offer or receipt of (or agreement to receive) any kickback, loan, fee, reward or other advantage; or
- the giving of aid, donations or voting designed to exert improper influence.

There need not be an immediate benefit: an expectation of a later benefit will make it a bribe. A third party benefit will also constitute a bribe.

Therefore, bribes are not limited to cash payments. Job offers, gifts and entertainment (please also see section 5.2 below), excessive business promotional activities, covering or reimbursing expenses, in-kind or political contributions, investment opportunities, subcontracts, stock options and similar items provided to third parties are all things of value that can contravene the applicable legislation.

2.5 *Who can engage in bribery or corruption?*

In the eyes of the law, bribery and corrupt behaviour can be committed by:

- an employee, officer or director;
- any person acting on behalf of the Company (i.e. third-party representatives); and
- individuals and organisations where they authorise someone else to carry out these acts.

Acts of bribery and corruption may (but will not always as it can be anyone connected to the business), involve public or government officials. For the purposes of this policy, a government official could be: (i) a public official, whether foreign or domestic; (ii) a political candidate or party official; (iii) a representative of a government-owned/majority-controlled organisation; or (iv) an employee of a public international organisation.

Please note, there is no distinction between commercial parties and public or foreign officials and this policy prohibits bribes of any kind to anyone, whether they are employed by a commercial business or considered a public or foreign official. As a general guiding principle, you must not offer anything to, or receive anything from, third parties, whether or not you consider them to be foreign officials and whether directly or indirectly, in return for or in the expectation of favourable treatment.

3. What does the law say about bribery and corruption?

- 3.1 Bribery is a criminal offence in a number of countries and penalties can be severe. Legislation due to come into force in the UK in 2011 (the Bribery Act 2010) not only makes bribery and corruption illegal, but also **holds UK companies liable for failing to prevent such acts by those working for or on its behalf, no matter where the act takes place**. In addition, current US legislation (Foreign Corrupt Practices Act or FCPA) offers similar prohibitions and potential penalties and is enforced with vigour by the US authorities. It is therefore in your interests, as well as those of the Company, that you act with propriety at all times. Corrupt acts committed abroad may well result in a prosecution at home. The whole Group is held to the standards set out in this policy and recognise the importance of the Company's and employee's obligations in this regard.
- 3.2 **You should never give or offer bribes to further the Company's business nor should you accept or agree to accept bribes to further the Company's business.**
- 3.3 Any individual with a "connection" to the UK can commit an offence under the Bribery Act 2010. A connection will include all employees working in the UK, working for a UK company, as well as those resident in the UK and British citizens. Any person found guilty of an offence can be liable to a prison sentence of up to ten years and a fine.
- 3.4 In addition, the Company can be held responsible if anyone "associated" with the Company (such as employees, consultants and even joint venture partners) bribes a third party. A conviction for this offence could result in the Company receiving a potentially unlimited fine.

4. What steps can we take to prevent bribery and corruption?

We can take the following steps to assist in the prevention of bribery and corruption:

4.1 *Risk assessment*

Effective risk assessment lies at the very core of the success or failure of this policy. Risk identification pinpoints the specific areas in which we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region – any of which can vary. Local Management must assess the vulnerability of each business unit to these risks on an ongoing basis, subject to review by the Company Secretary.

4.2 *Accurate books and record-keeping*

Many serious global bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. We must ensure that we maintain accurate books, records and financial reporting within the Company businesses and make good faith efforts to ensure that all third-party representatives working on our behalf do the same. Our books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each of the underlying transactions. False, misleading or inaccurate records of any kind could potentially damage the Company and the Group.

4.3 *Effective monitoring and internal control*

Our business must maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed within a comprehensive control and monitoring programme in order to help mitigate these risks on an ongoing basis.

The Financial Controller must ensure that Local Management takes the necessary steps to prevent bribery and corruption. As these steps will vary by geography and business unit, the Company Secretary should consult with the Non-Executive Director, who will make available guidelines, principles and methodologies for the identification, mitigation and monitoring of these risks.

5. Where do the bribery and corruption risks typically arise?

Bribery and corruption risks typically fall within the following categories:

5.1 *A. Use of third-party representatives*

The definition of a third-party is broad, and could include agents, distributors, consultants and joint venture partners. Whilst the use of third-parties can help us reach our goals, we need to be aware that these arrangements can potentially present the Company with significant risks.

Risk can be identified where a third-party conducts business activities on the Company's behalf, so that the result of their actions can be seen as benefiting the Company. Third-parties who pose significant risks and act on the Company's behalf must operate at all times in accordance with this policy. Local Management is responsible for the evaluation of each third-party relationship and determining whether or not it falls into this category.

Where risk regarding a third-party arrangement has been identified, Local Management must:

- evaluate the background, experience, and reputation of the third-party;
- understand the services to be provided, and methods of compensation and payment;
- evaluate the business rationale for engaging the third-party;
- take reasonable steps to monitor the transactions of third-parties appropriately; and

- ensure there is a written agreement in place which acknowledges the third-party's understanding and compliance with this policy.

The Company is ultimately responsible for ensuring that third-parties who pose significant risks are compliant with this policy as well as any local laws. Ignorance or "turning a blind eye" is not an excuse. As the third-party evaluation process will vary by business unit and type of third-party, Local Management should consult in the first instance with the Company Secretary, who will make available guidelines, principles and methodologies for the evaluation and vetting of third-parties. The Company Secretary should consult with the Non-Executive Director where necessary.

5.2 *Gifts, entertainment and hospitality*

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. Employees are advised that, notwithstanding anything contained herein, where there is any doubt over the permissibility or propriety of accepting a gift or hospitality offer they should decline the offer or alternatively, contact the Human Resources Department as soon as possible to request guidance and advice in this regard. Nothing should be accepted which would bring the Company into disrepute. You should be tactful and let the sender know that future gifts are not appropriate to the Company's way of doing business.

Save for gifts of low value (on an individual and aggregate basis) and which are mere tokens (such as promotional pens, calendars and stationery), excluding money, employees of the Company are not permitted to accept any gifts from customers, suppliers or other third parties involved with the Company.

The Company recognises that there may be exceptional instances when refusing a gift will cause significant offence or embarrassment. In such instances the gift may be accepted and subsequently donated to a charity of the Company's choosing. Where practicable any employee minded to accept a gift should first seek approval from a senior manager. If it is not practicable to gain prior approval, the accepting employee should inform a senior manager as soon as possible after receiving the gift.

All employees are required to obtain approval from a Director before accepting any form of Corporate Hospitality which is offered to them. For the purposes of this policy, Corporate Hospitality is any form of accommodation, entertainment or other hospitality provided for an employee of the Company by a third party and which is extended to the employee solely or significantly due to his position as a representative of the Company. Please also note that a particularly sensitive time is during a period when tendering for a contract – in this period, no Corporate Hospitality or client / supplier entertaining of any form should take place relating to that specific contract.

For the purposes of this policy and for the sake of clarity, the following are not normally considered Corporate Hospitality and will not require any approval prior to acceptance:

- normal working lunches or refreshments provided during a business visit;
- hospitality extended to employees attending a Company approved seminar, conference or other external event, provided that such hospitality is extended to all who are in attendance; and/or
- free seminars, talks or workshops, provided that they are free to all in attendance and are not provided solely for employees of the Company.

An accurate record must be kept of all gift offers and offers of Corporate Hospitality made to the Company or to employees of the Company by third parties and employees must adhere to any applicable gifts and hospitality policy.

5.2 Any form of gift, entertainment or hospitality given, received or offered which exceeds the equivalent of £250 in value must be notified to the Company Secretary. The Company Secretary must give prior approval of any expenditure on gifts, entertainment or hospitality that will exceed £500 in value.

5.3 *How to evaluate what is 'acceptable':*

First, take a step back and ask yourself the following:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If you find it difficult to answer one of the above questions, there may be a risk involved which could potentially damage the Company's reputation and business. The action could well be unlawful. If at all uncertain, please contact a member of the Human Resources Department to discuss your concerns.

Although no two situations are the same, the following guidance should be considered globally:

5.4 *Never acceptable*

Circumstances which are never permissible include examples that involve:

- a 'quid pro quo' (offered for something in return);
- gifts in the form of cash/or cash equivalent vouchers;
- entertainment of a sexual or similarly inappropriate nature.

The guidance and principles above should also be followed when considering giving gifts on the Company's behalf. All proposed gifts and hospitality should be approved by your Manager prior to being given or provided.

5.5 *Facilitation payments*

In many countries, it is customary business practice to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process.

Despite this, facilitation payments as defined here are against the Company policy and we take the view that they are illegal within the UK as well as within other countries in which we may have business dealings. Current and forthcoming UK legislation makes no distinction between facilitation payments and bribes – regardless of size or local cultural expectations, even if that is “how business is done”.

However, in the event that a facilitation payment is being extorted, or if you are forced to pay under duress or faced with potential safety issues or harm, such a payment may be made, provided that certain steps are followed. If you are ever placed in such a situation, you must contact the Financial Controller as soon as possible and you must

record the payment appropriately within the Company's books and records to reflect the substance of the underlying transaction.

If you are unsure whether certain payments which resemble the definition of facilitation payments are permissible, please contact the Company Secretary.

5.6 *Donations*

We do not make contributions to political parties. *We do not make charitable donations.* No donation must be offered or made without the prior approval of the Company Secretary.

6. **Local adaptation**

6.1 In order for this policy to be effective, it is necessary for it to be applied across the Company and the Group, taking into consideration the diverse cultural environments in which we may operate and conduct business. This may require each business unit to adapt certain sections of this policy – such as gifts, entertainment and hospitality – to ensure they are fair, appropriate and applicable.

6.2 Local Management must agree and confirm any local adaption to this policy with the main board of the Company where appropriate.

7. **How to raise a concern**

7.1 As individuals who work on behalf of the Company, we all have a responsibility to help detect, prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing. The Company is absolutely committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every one to know how they can “speak up”.

7.2 **If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance can only help.** The sooner you act, the better for you and for the Company. To help, we have created multiple channels to allow you to do this.

7.3 If you are concerned that a corrupt act of some kind is being considered or carried out – either within the Company, by any of our third-parties or by any of our competitors – you must report the issue/concern to your Line Manager and the Company Secretary in the first instance. If for some reason it is not possible to speak to your Line Manager, please then report it to another Senior Manager or the Company Secretary.

7.4 In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. If you have any questions in relation to this policy, please contact Heather Peacock (Company Secretary).

8. **Conclusion**

8.1 It is the ultimate responsibility of the main Board routinely to refresh and reinforce this policy and its underlying principles and guidelines.

8.2 All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing. Local Management, under the overview of the Company Secretary, are responsible for the establishment and ongoing monitoring of this policy.

SCHEDULE

Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly.

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party; or

- (o) You are invited to provide a facilitation payment to expedite goods through customs.