

APPROVED

MFORM 3PL DMCC

Resolution No. 12

Chairman of the Shareholders' Council


ALVI HALAD

MFORM 3PL DMCC POLICY
on Counteracting Corporate Fraud and Corruption

DMCC, Jumeirah Lakes Tower, Sheikh Zayed Road
Dubai - United Arab Emirates

1. General provisions

1.1. The MFORM 3PL DMCC Policy on Counteracting Corporate Fraud and Corruption (the “POLICY”) is a local regulatory act of MFORM 3PL DMCC (the “COMPANY”) that sets out key requirements in the field of counteracting corporate fraud and corruption.

COMPANY maintains a policy of zero tolerance for any forms and manifestations of corporate fraud and corruption: bribery, abuse of official position or authority, any forms of improper inducement and other unlawful actions leading to personal interest and which may be considered corporate fraud in the terminology of this POLICY.

1.2. The POLICY has been developed in accordance with the articles of the UAE Penal Code, as well as the Charter of COMPANY.

1.3. The following basic terms and concepts are used in the POLICY:

Associated persons. Associated persons may include managers, employees of COMPANY and other persons acting on behalf of COMPANY or in its interest, directly or indirectly, personally or through any intermediary.

Bribe. The definition of bribery may be taken from several articles of UAE legislation, in particular from the Penal Code, Articles 275–287. In accordance with the provisions of the Penal Code, bribery will be anything that provides a benefit to an employee of the public or private sector, depending on the cases, with the intention to influence such employee so that he or she acts in such a way as to violate the duties imposed on his or her functions, or performs or refrains from performing an action.

Hotline – communication channels for receiving messages containing information about suspicions, facts of corporate fraud, corruption, conflict of interest, unfair competition, violations of business ethics and other possible violations.

Officials – persons exercising the functions of a representative of authority or performing organizational and administrative, administrative and economic functions in state bodies, local self-government bodies, state and municipal institutions, state extra-budgetary funds, state corporations, state companies, public-law companies, state and municipal unitary enterprises, in business entities.

Personal interest – the possibility for an employee of COMPANY to receive income in the form of money, other property, including property rights, services of a property nature, results of performed works or any benefits (advantages) in the following ways: personally, through persons who are in close kinship or affinity with him/her, through persons connected with him/her by property, corporate or other relations, in respect of which it has been established that they act under the control and (or) in the interests of such employee of COMPANY (and not in their own interests) as a result of an agreement reached with him/her in any form.

Commercial bribery – unlawful transfer to a person performing managerial functions in a commercial or other organization of money, securities, other property, as well as unlawful provision to him/her of services of a property nature, granting of other property rights (including when, upon the instruction of such person, property is transferred, or services of a property nature are provided, or property rights are granted to another natural or legal person) for the performance of actions (inaction) in the interests of the giver or other persons, if such actions (inaction) are within the official powers of such person or if, by virtue of his/her official position, he/she can facilitate such actions (inaction).

Counterparty – any legal entity in the territory of the United Arab Emirates or a foreign legal entity or individual with whom COMPANY enters into contractual relations, with the exception of labor relations.

Conflict of interest – a situation in which personal interest (direct or indirect) of an employee of COMPANY influences or may influence the performance by him/her of official duties, and in which a contradiction arises or may arise between the personal interest of an employee of COMPANY and the rights and legitimate interests of COMPANY, capable of causing harm to the rights and legitimate interests, property and (or) business reputation of COMPANY.

Corporate fraud – actions or inaction of natural and / or legal persons in order to obtain personal benefit and / or benefit of another person to the detriment of the interests of COMPANY and / or to cause COMPANY material and / or non-material damage by deception, abuse of trust, misleading or otherwise. Corporate fraud manifests itself in the form of distortion of financial statements, corrupt actions, as well as theft and other abuses, including deliberate damage, in relation to the assets of COMPANY.

Corrupt actions – abuse of official position, giving a bribe, receiving a bribe, abuse of authority, commercial bribery or other unlawful use by an individual of

his/her official position contrary to the legitimate interests of society and the state for the purpose of obtaining benefit in the form of money, valuables, other property or services of a property nature, other property rights for himself/herself or for third parties, or unlawful provision of such benefit to the specified person by other individuals. A corrupt action is also the commission of the listed acts on behalf of or in the interests of a legal entity.

Anti-Fraud Activities – a set of measures to identify, prevent, investigate corporate fraud and eliminate the causes that led to its occurrence.

Anti-Fraud POLICY – activities of UAE state authorities, local self-government bodies, civil society institutions, organizations and individuals within their powers:

a) to prevent corruption, including to identify and subsequently eliminate the causes of corruption (corruption prevention)

b) to identify, prevent, suppress, detect and investigate corruption offences (combating corruption)

c) to minimize and / or eliminate the consequences of corruption offences.

2. Goals and Objectives of the POLICY

2.1. The POLICY has been developed for the **purposes of:**

minimizing the risks of corporate fraud and involvement of managers and employees (regardless of the position held), members of management bodies and representatives of counterparties of COMPANY in corrupt actions

forming among associated persons of COMPANY, investors, business partners and counterparties a uniform understanding of the POLICY of COMPANY regarding non-acceptance of corporate fraud in any of its forms and manifestations

establishing the obligation of employees and members of management bodies of COMPANY to know and comply with the key norms of anti-corruption legislation, as well as local regulatory acts of COMPANY in the field of counteracting corporate fraud.

2.2. The objectives of the POLICY include:

creating an internal regulatory framework of COMPANY in the field of counteracting corporate fraud and corruption

informing employees of COMPANY and other persons about the basic principles and requirements for the activities of COMPANY and its employees to comply with applicable anti-corruption legislation

generalizing and explaining the procedures and measures applied in COMPANY in the field of counteracting corporate fraud and corruption, as well as the procedure for their implementation

ensuring information channels for reporting facts of corporate fraud

determining the powers and responsibility of employees of COMPANY in issues related to counteracting corporate fraud.

3. Principles of the POLICY

The POLICY of COMPANY is based on the following principles:

3.1. Compliance with legislation and generally accepted norms.

The measures implemented by COMPANY to counteract corporate fraud comply with the UAE Penal Code, generally recognized principles and norms of international law and international treaties concluded by the UAE, UAE legislation and other regulatory legal acts applicable to COMPANY, as well as business customs.

3.2. Personal example of management (“tone from the top”).

Managers of all levels of management of COMPANY, by their example, form a culture of intolerance to corporate fraud and perform a key role in creating a system for counteracting corporate fraud in COMPANY.

3.3. Non-acceptance of corporate fraud.

COMPANY adheres to the principle of non-acceptance of corporate fraud in all its forms and manifestations in carrying out production, investment and other types of activities. This principle means a strict prohibition for associated persons of COMPANY to participate directly or through third parties in corrupt actions and other types of corporate fraud regardless of the business practice in a particular country.

3.4. Proportionality to risks and effectiveness of anti-corruption procedures.

COMPANY develops and implements a system of anti-corruption procedures that reasonably corresponds to identified risks. COMPANY ensures the introduction of the most transparent anti-corruption procedures into business processes exposed to corruption risks. COMPANY strives to apply anti-corruption procedures that have low cost, ensure simplicity of implementation and bring a meaningful result. Anti-corruption procedures are reviewed, improved and updated considering changes in the external and internal environment.

3.5. Due diligence.

COMPANY carries out verification of counterparties, business partners and job candidates before deciding to start or continue business or labor relations for their reliability, non-acceptance of corruption and absence of conflict of interest and also informs the said persons before the start of cooperation about the anti-corruption procedures applied in COMPANY.

3.6. Involvement and informing of employees.

COMPANY calls on associated persons, in the shortest possible time, to report the presence of signs of possible violations of the requirements of the POLICY and facts indicating the commission of corporate fraud, and also to propose recommendations and measures to improve the system for counteracting corporate fraud. Employees of COMPANY are informed about the provisions of anti-corruption legislation and actively participate in the formation and implementation of anti-corruption procedures in COMPANY.

3.7. Control and regular monitoring.

COMPANY carries out periodic and current monitoring of the effectiveness of implemented standards and procedures in the field of counteracting corporate fraud and also controls their implementation in the manner determined by local regulatory acts of COMPANY.

3.8. Responsibility and inevitability of punishment.

Employees of COMPANY, regardless of the position held, length of service and other conditions, are responsible for non-compliance with the provisions of anti-corruption legislation and local regulatory acts of COMPANY in the field of counteracting corporate fraud and, in the event of committing corrupt actions, may be held liable at the initiative of COMPANY, law enforcement agencies or other persons in the manner and on the grounds provided for by applicable legislation, local regulatory acts and employment contracts.

3.9. Refusal of retaliatory sanctions.

COMPANY declares that no employee will be subject to sanctions (except for cases of knowingly false information) if he/she reported:

about an alleged fact of corporate fraud and corruption, including refused to give a bribe, commit commercial bribery or provide mediation in bribery, about alleged violations of control procedures and other abuses, including if as a result COMPANY incurred losses or did not receive commercial and COMPANY advantages

about inducing an employee of COMPANY to commit corrupt actions

about violation of the POLICY and other local regulatory acts of COMPANY in the field of counteracting corporate fraud.

4. Scope of Application of the POLICY

4.1. The provisions of the POLICY apply to all employees of COMPANY who are in labor relations with it, regardless of the position held and functions performed. The POLICY also applies to other associated persons.

4.2. Anti-corruption procedures of COMPANY may determine the conditions under which the effect of the POLICY extends to counterparties with whom COMPANY has contractual relations.

4.3. The requirements of the POLICY become mandatory for execution in companies in which COMPANY is a participant (shareholder) with a predominant participation share, as well as in other organizations in which COMPANY participates directly or indirectly, after their approval and entry into force in accordance with the charters of such organizations.

4.4. For the purpose of effective informing and clarification of the provisions of the POLICY, COMPANY, based on best practices that consider the predominant use by all interested persons of digital communication and work channels, organizes training programs and trainings.

5. Standards, Directions of Activity and Measures to Prevent Corporate Fraud

5.1. Measures to prevent corporate fraud in COMPANY are implemented in accordance with local regulatory acts regulating activities in the field of counteracting corporate fraud and corruption, internal control and compliance with business ethics rules.

Implementation of standards of conduct of employees of COMPANY

5.2. In order to implement anti-corruption standards of conduct of employees, general rules and principles of conduct of employees in the field of ethics of business relations are established in COMPANY aimed at forming ethical and conscientious behavior of employees.

Such general rules and principles of conduct are set forth in the Business Ethics Code.

5.3. Employees of COMPANY and other associated persons must refrain from behavior that may be interpreted by others as willingness to commit or participate in the commission of corrupt actions in the interests of or on behalf of COMPANY.

COMPANY emphasizes the inadmissibility of corrupt actions, including manifestations of conflict of interest, both in relation to representatives of the state, public formations, private companies, political figures and other third parties, and in relation to employees of COMPANY by means of abuse of official position in order to extract any personal benefit.

Regular assessment of corruption risks

5.4. Due to constant changes in economic, industry, legislative and operational conditions, identification and assessment of corruption risks are carried out on an ongoing basis in the manner established by local regulatory acts of COMPANY. When assessing corruption risks, all available information related to corruption risks is analyzed, both from internal and external sources.

The purpose of assessing corruption risks is to determine corruption-hazardous functions, in the implementation of which the probability of employees of COMPANY committing corrupt actions is the highest both for the purpose of obtaining personal benefit and for the purpose of obtaining benefit for COMPANY.

The list of corruption-hazardous functions is determined in a local regulatory act of COMPANY.

Information about identified risks serves as a basis for the development of new and analysis of existing procedures for counteracting corruption, development of a corruption risk map, formation of a list of positions associated with a high corruption risk, as well as development of a set of measures to eliminate or minimize corruption risks.

List of positions associated with corruption risks.

5.5. Positions associated with corruption risks are determined considering the list of corruption-hazardous functions, as well as a high degree of freedom of decision-making caused by the specifics of official activity, and the intensity of interaction with third parties. The list of positions associated with corruption risks is indicated in a local regulatory act of COMPANY.

For persons holding the specified positions, a prohibition is applied on carrying out labor activity in the case of close kinship or affinity with an employee of COMPANY, if the carrying out of labor activity is related to direct subordination or control of one of them by the other. Persons holding positions associated with corruption risks are obliged to annually fill out a declaration on the absence of conflict of interest.

Identification and settlement of conflict of interest

5.6. Timely identification of conflict of interest in the activities of employees of COMPANY is one of the key elements of counteracting corruption.

5.7. The following situations, among others, may lead to a conflict of interest between COMPANY and employees of COMPANY:

5.7.1. Holding positions in other organizations.

COMPANY proceeds from the fact that combining positions in other organizations, in particular those that are a competitor, client, partner, consultant, investor of COMPANY, may lead to the emergence of a conflict of interest and have negative consequences for COMPANY.

5.7.2. Use of official position for personal purposes.

Employees of COMPANY, when performing their official duties, should not pursue personal interests and obtain benefit by abusing official position, using the property of COMPANY for personal interests.

5.7.3. Receiving valuable gifts, services / works provided free of charge and other types of remuneration aimed at exerting pressure or influence when an employee of COMPANY makes a decision in the interests of the giver.

COMPANY considers unacceptable the receipt by employees of gifts, services, works and other types of remuneration from competitors, clients, partners, consultants, investors of COMPANY and other representatives of legal and / or natural persons, presented for the purpose of influencing their opinion for making a decision in the interests of third parties that contradicts the interests of COMPANY.

5.7.4. Ownership (acquisition) of securities, shares, units or other participation.

Ownership (acquisition) of securities, shares, units or other participation of an employee of COMPANY, a member of his/her family, his/her relatives and other persons connected with him/her by property, corporate or other relations, in respect of which it has been established that they act under the control and (or) in the interests of such employee of COMPANY (and not in their own interests) as a result of an agreement reached with him/her in any form, in any organization that is a competitor, client, partner, consultant, investor of COMPANY, except for:

ownership of shares of a public joint-stock company in an amount not exceeding 5 (five) % of the total number of voting shares of such public company and not allowing to exert a significant influence on the management process and / or decision-making by such public company

ownership of bonds of a public joint-stock company in an amount not allowing to exert a significant influence on the management process and / or decision-making by such public company.

5.7.5. Activities of family members.

Carrying out activities by family members (spouse, children, including adopted, brothers and sisters, parents and adoptive parents) of an employee of COMPANY in organizations that are a competitor, client, partner, consultant, investor of COMPANY.

COMPANY proceeds from the fact that the activities of family members of an employee in organizations that are a competitor, client, partner, consultant, investor of COMPANY are capable of negatively affecting the impartiality of each of them when making decisions in the interests of COMPANY.

5.7.6. Personal relationships.

Personal relationships of employees of COMPANY with employees or representatives of organizations that are competitors, clients, business partners, consultants, investors of COMPANY.

COMPANY proceeds from the fact that employees may have or may develop personal relationships with employees or representatives of organizations that are competitors, clients, partners, consultants, investors of COMPANY, which may put at risk the independence and objectivity of employees of COMPANY when making decisions in the interests of COMPANY.

5.8. The procedure for identifying and settling a conflict of interest arising for employees during the performance by them of labor duties is established in a local regulatory act of COMPANY.

Exchange of business gifts and signs of business hospitality

5.9. COMPANY recognizes the exchange of business gifts and carrying out representative expenses, including for business hospitality, as a necessary part of doing business and generally accepted business practice. COMPANY encourages an atmosphere of honesty and transparency in relation to business gifts and business hospitality expenses. COMPANY recognizes this area as vulnerable from the standpoint of the risk of involvement in corrupt actions, therefore gifts and signs of hospitality that employees on behalf of COMPANY may provide to other persons and organizations, or that employees in connection with their activities in COMPANY may receive from other persons and organizations, must comply with the totality of the criteria specified below:

be directly connected with the lawful goals of the activities of COMPANY (for example, with the presentation or completion of commercial projects, successful execution of contracts) or with generally accepted holidays such as Christmas and New Year, International Women's Day, as well as memorable dates and anniversaries

be reasonably justified

not represent hidden remuneration for a service, action, inaction, connivance, patronage, granting of rights, making of a certain decision, etc. or an attempt to influence the recipient with another unlawful or unethical purpose

not create a reputational risk for COMPANY, employees and other persons in the event of disclosure of information about gifts

not contradict the principles and requirements of the POLICY, other local regulatory acts of COMPANY and the norms of applicable anti-corruption legislation.

In the event that gifts / signs of hospitality that employees in connection with their activities in COMPANY may receive or have received from other persons and organizations do not comply with the totality of the criteria specified above, and also if employees have doubts regarding the possibility to accept a gift / signs of hospitality based on the circumstances of receiving a gift / providing signs of hospitality or based on the estimated value of the gift that obviously exceeds the value of gifts accepted in similar circumstances according to generally accepted business practice, employees are obliged to report this to their immediate manager or to the structural subdivision / official responsible for counteracting corporate fraud.

5.10. Gifts on behalf of COMPANY in the form of monetary funds (cash or non-cash) in any currency are not allowed.

5.11. The procedure for payment of representative expenses in COMPANY, limits of expenses for representative events, as well as the list of officials entitled to carry out representative expenses, are determined by local regulatory acts of COMPANY.

Participation in charitable activities

5.12. COMPANY. COMPANY does not finance charitable and sponsorship projects for the purpose of obtaining commercial advantages in specific projects of COMPANY.

Charitable activity of COMPANY is carried out in accordance with a local regulatory act of COMPANY regulating issues of adoption and execution of decisions on providing charitable assistance by COMPANY.

Relations with group companies

5.13. COMPANY makes sufficient efforts so that the fundamental principles and requirements of the POLICY are observed in companies in which COMPANY is a participant (shareholder) with a predominant participation share. In subsidiaries of COMPANY, their own policies in the field of counteracting corporate fraud and corruption are approved, similar to this POLICY.

Interaction with Officials

5.14. When interacting with Officials implementing control and supervisory measures, employees of COMPANY should refrain from any unlawful and unethical behavior.

5.15. COMPANY refrains from paying any expenses for Officials and their close relatives (or in their interests) for the purpose of obtaining commercial advantages in specific projects of COMPANY, including expenses for transport, accommodation, meals, entertainment, advertising, or their receiving other benefit at the expense of COMPANY.

COMPANY, в том числе расходов на транспорт, проживание, питание, развлечения, рекламу или получения ими за счет COMPANY иной выгоды.
Interaction with clients, business partners and counterparties of COMPANY.

Interaction with clients, business partners and counterparties of COMPANY

5.16. COMPANY in its commercial activities adheres to the principles of ethics and cooperation and declares that there is no need, for building business relations with third parties, to give gifts, provide services and organize entertainment for employees of COMPANY.

5.17. COMPANY ensures the availability of procedures for verification of clients, business partners and counterparties in order to minimize and suppress the risks of involving employees of COMPANY in corrupt actions.

COMPANY conducts an assessment of non-acceptance of corruption by clients, business partners and counterparties of COMPANY, including checking the presence of their own anti-corruption procedures and policies, carries out through official sources a check for their reliability, affiliation to government officials

(through close relatives or on other grounds of personal interest), state bodies and organizations.

Before formalizing business relations, COMPANY informs clients, business partners and counterparties about the principles of the POLICY, assesses their readiness to comply with the requirements of the POLICY, and also includes in contracts with them a standard anti-corruption clause.

Accounting and reporting

5.18. All financial transactions of COMPANY must be accurately, correctly and with a sufficient level of detail reflected in accounting and reporting, documented and available for verification.

Distortion or falsification of primary documents, financial transactions, accounting and reporting of COMPANY, including for the purpose of meeting the budget of COMPANY, are strictly prohibited.

5.19. In COMPANY, officials are appointed who bear personal responsibility for the preparation and provision of complete and reliable accounting reports within the time limits established by UAE legislation.

Informing and training of employees

5.20. COMPANY takes reasonable measures to inform and explain the principles and norms of anti-corruption legislation, the POLICY and other local regulatory acts of COMPANY in the field of counteracting corporate fraud.

5.21. COMPANY places the POLICY in free access on the official website of COMPANY in the information and telecommunication network Internet mform3pl.com (hereinafter – the “official website” of Company).

COMPANY ensures timely acknowledge of employees against signature, including upon hiring, with the current versions of the POLICY and other local regulatory acts in the field of counteracting corporate fraud.

5.22. Information may be communicated to employees by distributing news, local regulatory acts of COMPANY, reports for target groups of managers and employees of COMPANY by e-mail.

Oral communication of information to employees, explanation of the importance of the POLICY and consulting on the application (compliance) of anti-corruption standards and procedures is also carried out by immediate managers and employees of the structural subdivision / official responsible for counteracting corporate fraud in COMPANY.

5.23. COMPANY considers it necessary to conduct, as necessary, training of employees in the basics of counteracting corporate fraud and corruption in order to form an appropriate level of anti-corruption culture and maintain knowledge at the proper level.

6. Reports of facts of corporate fraud and violations in the conduct of financial and economic activities of COMPANY

6.1. In order to receive reports about possible facts of corporate fraud and violations in the conduct of financial and economic activities, a “Hotline” operates in COMPANY, by contacting which an employee of COMPANY or any other person may, in a form convenient for him/her, report facts of corporate fraud that became known to him/her, including corrupt actions, theft, conflict of interest, unfair competition, violation of business ethics rules and other possible violations.

The “Hotline” has been created to increase the level of corporate governance, timely identify possible facts of corporate fraud and other violations in the conduct of financial and economic activities of COMPANY, and also respond to these facts.

6.2. Reports about possible facts of corporate fraud may be transmitted in the following ways:

to the security service of the management apparatus or the security structural subdivision of the branch of COMPANY

to the immediate manager or, if there is suspicion that corrupt actions were committed by the immediate manager, to a higher-level manager.

6.3. COMPANY verifies the received information in the manner determined by local regulatory acts of COMPANY.

In case the fact of corporate fraud is confirmed, measures are taken aimed at eliminating the causes of the violation, minimizing consequences and bringing the guilty employees to responsibility.

When investigating violations that have signs of corruption offences, COMPANY cooperates with law enforcement authorities in the field of counteracting corruption in the manner established by UAE legislation.

6.4. COMPANY guarantees confidentiality with respect to an employee or third party who reported a possible fact of corporate fraud or a violation in the conduct of financial and economic activities of COMPANY, to the extent that this corresponds to the implementation of the POLICY. At the request of the applicant, such report may be made on an anonymous basis.

6.5. The internal audit service of COMPANY is provided access to information about facts of corporate fraud and violations in the conduct of financial and economic activities in COMPANY in accordance with the procedure established by local regulatory acts of COMPANY.

7. Responsibility

7.1. Employees of COMPANY, regardless of the position held, are responsible for compliance with the POLICY.

7.2. COMPANY makes all possible reasonable and lawful efforts for the **максимально** quick, inevitable application of punishment and suppression of facts of corporate fraud.

7.3. For the commission of corrupt actions, employees of COMPANY, if there are signs in their actions of the elements of an administrative offence or crime, bear responsibility in accordance with UAE legislation.

7.4. Employees of COMPANY guilty of violating the requirements of the POLICY may be brought to disciplinary responsibility at the initiative of COMPANY in the manner established by local regulatory acts of COMPANY regulating issues of disciplinary responsibility, including for:

commission of corrupt actions if there is no composition of an administrative offence or crime in the actions of the employee

non-compliance with prohibitions established by the POLICY, the Business Ethics Code of COMPANY and other local regulatory acts of COMPANY in the field of counteracting corporate fraud and corruption

failure to report facts of corporate fraud or concealment of them

failure to report a conflict of interest

failure by the employee to ensure implementation of measures to counteract corporate fraud and corruption

other actions / inaction containing signs of corporate fraud or facilitating its commission.

8. Amendments to the POLICY

8.1. COMPANY, as necessary, carries out review of its policies and procedures in the field of counteracting corporate fraud and corruption.

8.2. If insufficiently effective provisions of the POLICY or procedures related to it are identified by COMPANY, or if the requirements of applicable legislation change, the management of COMPANY organizes the development and implementation of an action plan to review and amend the POLICY and / or anti-corruption procedures.


