

Anti-Fraud and Anti-Corruption Policy



VERIFICATION AND COOPERATION WITH ENFORCEMENT AUTHORITIES

Magonova & Partners is committed to upholding the highest standards of integrity in our operations. We are aware that Ukrainian enforcement agencies have faced criticism for making politically motivated decisions that may impact businesses. In light of these concerns, all announcements and actions related to anti-corruption matters will be rigorously reviewed and verified by our legal team to ensure compliance with Ukrainian laws while safeguarding against any undue political influence.

We believe in operating transparently and ethically, and while we carefully navigate the Ukrainian enforcement landscape, we also recognize the importance of cooperating fully with international and American enforcement authorities when necessary. In cases involving these entities, Magonova & Partners will engage proactively, ensuring that our actions align with international anti-corruption standards and legal requirements.

By adopting this dual approach, we protect our business from potential biases within the Ukrainian system while maintaining our commitment to lawful and ethical practices across all jurisdictions.

OBJECTIVES

The objective of this policy is to prevent, detect, and effectively respond to any forms of fraud and corruption within the Agency's operations. This includes protecting the company's reputation, safeguarding its financial resources, and creating a transparent and honest working environment.

TERMS AND DEFINITIONS

Close Persons – individuals who live together, share a household, including those living together but not married, as well as — regardless of the above conditions — spouse, father, mother, stepfather, stepmother, son, daughter, stepson, stepdaughter, brothers, sisters, and nephews.

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Bribery – money, services, or gifts accepted by an employee in exchange for actions/inactions in the interest of the bribe-giver, which the employee could or should have performed due to their official position.

Zero Tolerance Principle – a declaration that all employees and other persons interacting with the Agency in their internal activities, as well as in legal relations with business partners, government authorities, and local governments, adhere to the "zero tolerance" principle towards any forms of corruption and bribery, and implement all legally prescribed measures to combat corruption and bribery and related actions (practices).

Business Hospitality – business breakfasts, lunches, dinners, refreshments, corporate or other events offered by counterparties, government officials, or other third parties to employees, or offered by employees to counterparties, government officials, or third parties to establish and maintain business relationships.

Business Gifts – any material value (anything of value) given to a business partner or other third party at the expense of the Company's funds, as well as any material value received by employees in the course of their duties from business partners or other third parties.

Conflict of Interest – a direct or indirect conflict between an employee's personal interest and their functional duties at the Agency, which affects or may affect objectivity and impartiality in decision-making or in the exercise/non-exercise of actions during the performance of these duties.

Fraud – deception with the intent of obtaining an unfair or illegal financial benefit or other unfair advantage.

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Corruption – a type of misconduct involving bribery, receiving a bribe, abuse of power, commercial bribery, or other illegal use of an individual's official position contrary to the legitimate interests of society and the state, for the purpose of obtaining benefits in the form of money, valuables, other property, or services of a property nature, other property rights for oneself or for third parties, or the illegal provision of such benefits to said individual by other individuals; as well as the commission of such acts on behalf of or in the interest of a legal entity.

Improper Benefit – money or other property, advantages, privileges, services, intangible assets, or any other benefits of a non-material or non-monetary nature, offered, promised, or received without legal justification.

Anti-Corruption Control and Measures

Procurement Processes:

- Conflict of interest regulations and interaction with employees and other persons involved in procurement are in place.
- At the start of the procurement process, the employee must familiarize themselves with the relevant internal documents governing procurement and, if necessary, consult with their supervisor to avoid violating these rules.

Procurement Processes:

- Comprehensive due diligence of business partners is conducted to assess corruption risks.
- The execution/acceptance of extracontractual terms in interactions with partners is prohibited.

Partners and Representatives

- Engaging representatives for any operations that contradict current anti-corruption laws, Agency Policies, and procedures is prohibited.
- Making corrupt payments through representatives and paying third parties when it is known that the payment will be directly or indirectly passed on to a government official or public servant is prohibited.
- Mandatory due diligence of potential representatives is conducted to assess corruption risks, reputation, and beneficial ownership.
- Contracts are signed only after due diligence is completed.
- Employees or representatives acting on behalf of the Agency must not exert undue influence on officials of government bodies, institutions, or enterprises.

Interaction with Government Officials and Political Figures

- Offering money, gifts, entertainment, or other material and non-material valuables, as well as illegal provision of services, benefits, or advantages of a property or non-property nature to government officials, political figures, or their family members in exchange for securing, protecting, or maintaining business operations or obtaining a commercial advantage (legal or illegal), or making decisions that may benefit the Agency's interests is prohibited.
- The current legislation does not prohibit the Agency from participating in legitimate operations with government bodies, institutions, and enterprises.

Charity, Sponsorship, Social Responsibility, and Interaction with Local Governments

- Charitable donations aimed at exerting undue influence on a government official or other person are prohibited;
- All agreements/payments for charitable donations, sponsorship, social responsibility, and interaction with local governments must comply with current Agency Policies.

Accounting and Financial Reporting

- The Agency ensures complete and accurate accounting and financial reporting documentation;
- An Agency employee must only sign documents, including contracts, they are authorized to sign and believe to be accurate and truthful.

Detection and Response

Reporting Mechanisms

Confidential channels are established for reporting suspected fraud or corruption. This may include a hotline or email.

Investigation

Impartial and thorough investigations of all reported cases of fraud or corruption are conducted. Cooperation with law enforcement agencies is ensured if violations are confirmed.

Sanctions

Disciplinary measures, including dismissal and prosecution, are applied to employees who commit fraud or corruption.

Management Commitments

The Agency's management commits to:

- Supporting and promoting the anti-fraud and anti-corruption policy;
- Providing the necessary resources for the effective implementation of this policy;
- Regularly reviewing and updating the policy to account for new risks and legal changes.

The Anti-Fraud and Anti-Corruption Policy is an integral part of the Company's corporate culture. We believe that adherence to high standards of ethical conduct strengthens trust from clients and partners and ensures the long-term success of our company.

