



# Anti-Bribery and Corruption Program and Policy

Version: 2021/01-01

Arf Labs OÜ | [www.arf.one](http://www.arf.one)

Registration Nr: 14715754

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# 1 VERSION AND AUTHORIZATION

Version	Explanation of changes/updates	Date of Updates	Effective Date of Implementation
2021/01-01	Initial Release	January 2021	January 2021

Refer to Appendix A for the revision history for previous risk assessment documentation.

Senior Management Acknowledgement of Changes– Reviewed and Approved by:			
Senior Management Name:	Berhan Kongel		
Senior Manager Title:	CEO	Date of Approval:	
Senior Manager Signature:			

## 2 INTRODUCTION

Arf Labs OÜ (“**Arf**” or the “**Company**”) is a company duly established under the laws of Estonia.

At Arf, we conduct all of its business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate.

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

The purpose of this policy is to:

- (a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
- (b) provide information and guidance to those working for us on how to recognize and deal with bribery and corruption issues.

## 3 SCOPE

This policy applies to all individuals working at Arf at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary, or full-time or part-time), consultants, contractors, trainees, remote workers, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as employees under this Policy).

Under this Policy, third party means any individual or organization you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

This policy applies in all countries or territories where Arf operates. Where local customs, standards, laws or other local policies apply that are stricter than the provision of this Policy, the stricter rules

must be complied with. However, if this policy stipulates stricter rules than local customs, standards, laws or other local policies, the stricter provisions of this Policy shall apply.

## 4 GIFTS AND HOSPITALITY

This Policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.

The giving or receipt of gifts is not prohibited, if the following are met:

- (a) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits,
- (b) it complies with local law,
- (c) it is given in our name, not in your name,
- (d) it does not include cash or a cash equivalent (such as gift certificates or vouchers),
- (e) it is appropriate in the circumstances, such as small gifts for Christmas where it is customary,
- (f) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time,
- (g) it is given openly, not secretly,
- (h) gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of your manager.

We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

It is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given,
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure,
- (c) accept payment from a third party that you know, or suspect is offered with the expectation that it will obtain a business advantage for them,

- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return,
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy, or
- (f) engage in any activity that might lead to a breach of this policy.

## 5 FACILITATION PAYMENTS AND KICKBACKS

Facilitation payments and kickbacks are not acceptable and must not be made or accepted. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.

Making a payment or a gift to an official to encourage or induce them to act more swiftly may appear to be an acceptable practice, or customary in some parts of the world. However, such payments or gifts, often known as “facilitation payments”, are illegal in many countries. Common circumstances in which facilitation payments are requested are:

- (a) when obtaining permits, licenses or other official documents to qualify a person to do business in a foreign country,
- (b) when processing government papers such as visas or work orders,
- (c) to provide security services for company people or assets; and
- (d) to provide access to utilities such as water or power.

Arf does not condone the making of facilitation payments. If, however, you are faced with a situation in which a payment is demanded by an official and the demand is accompanied by a threat to your personal safety, you may pay. However, you must report this to your local senior manager as soon as possible, who must in turn notify the Chief Compliance Officer through the Compliance Unit. Any such facilitation payments must be appropriately and accurately recorded.

## 6 DONATIONS

Generally, Arf does not make contributions to political parties. Generally, Arf does not make charitable donations but if we do any such donations will be legal and ethical under local laws and practices. No contribution or donation must be offered or made without the prior approval of Arf’s Board of Directors.

## 7 RESPONSIBILITIES OF ARF'S EMPLOYEES

All employees must ensure that they read, understand and comply with this Policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All employees are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

You must notify your manager as soon as possible if you believe or suspect that a conflict with this Policy has occurred or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in Appendix B.

Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other employees if they breach this Policy.

Employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your manager and/or the Chief Compliance Officer through the Compliance Unit.

## 8 RECORD KEEPING

Managers are responsible for ensuring that they keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

A written record of all hospitality with value over EUR-500 or gifts accepted or offered must be kept, which will be subject to managerial review.

All employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with

strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

## 9 TRAINING AND COMMUNICATION

All new Arf employees receive mandatory training on Arf's policies and procedures that constitute a part of the ABC Policy. All employees are also required to complete further training annually.

Our zero-tolerance approach to bribery and corruption is communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## 10 IMPLEMENTATION

Arf's Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

Arf's Chief Compliance Officer has primary responsibility for implementing this Policy, and for monitoring its implementation and effectiveness, undertaking risk assessments, maintaining all required records and identifying and reporting any incidents which may contravene the Policy, and for reporting any issues raised to the Board. The Chief Compliance Officer, in the course of monitoring this Policy, will regularly consider its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal risk management and control systems will be subject to audit to provide assurance that they are effective in countering bribery and corruption

Managers at all levels of Arf are responsible for ensuring those reporting to them are made aware of and understand this policy and, where appropriate, are given training on it. All employees of Arf are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing and are invited to comment on this Policy and suggest ways in which it might be improved.

## APPENDIX A – REVISION HISTORY

Version	Date MM/DD/YYYY	Author	Reviewer	Description
2021/01-01	28/01/21	Berhan Kongel	Kazım Rifat Özyılmaz	DRAFT – work in progress

## APPENDIX B – POTENTIAL 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 customized,
- (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, or
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party