

JSC “Silknet”

Supplier Anti-Corruption Policy

This JSC Silknet (hereinafter Silknet) Supplier Anti-Corruption Policy (hereinafter referred to as the “**Policy**”) applies to all suppliers of goods and/or services to Silknet, also to any **natural** or legal persons which is supplied by Silknet with goods/services and/or to any natural or legal persons that Supplier uses for the provision of the services/delivery of the goods to Silknet, including Supplier’s or their contractors’ employees and consultants, contractors and subcontractors regardless if they are permanently employed, temporarily contracted, directly employed or supervised.

For the purposes of this Policy, Supplier shall mean any Silknet’s contracting party, based on the context of the relevant agreement.

This Policy is an integral part of the contracts concluded between Silknet and any natural or legal person.

Terms and Conditions

1. Supplier and any natural or legal persons Supplier uses for the provision of the services/delivery of the goods to Silknet including Supplier’s or its contractors’ employees and consultants, contractors and subcontractors shall:
 - 1.1. Not offer, promise, give, request or receive any bribes or other corrupt payments, including in relation to any public official;
 - 1.2. Not intentionally or by negligence do anything likely to cause Supplier or Silknet or any of its direct or indirect shareholders (including but not limited to Affiliates), directors, officers or employees to be in breach of any applicable law relating to bribery and corruption (herein after jointly referred to as “Applicable Law”).
 - 1.3. Maintain throughout the term of the contract concluded with Silknet an effective mechanism designed to ensure compliance with this Policy and Applicable Law, and to prevent and detect violations of this Policy and/or Applicable Law;
 - 1.4. Disclose to Silknet whether any Public Official (as defined in Section 2 below) is employed by the Supplier and notify Silknet promptly if this changes or will change.
 - 1.5. At all times during the term of the contract and for a period of not less than five years thereafter, in relation to money and/or funds received under the contract, properly and accurately maintain in its books and records relevant information about amount, purpose and recipient, third party receipts and invoices in accordance with applicable law and internal procedures.
 - 1.6. Confirm in writing at the completion of the term of the contract or on request that Supplier has complied with Applicable Law and the Policy;
 - 1.7. Promptly notify Silknet of any allegation of fraud, bribery or corrupt or unlawful practices made against Supplier in court, arbitration or administrative proceedings, or if any investigation is commenced in respect of such allegations at any time during the term of the contract;
 - 1.8. In the event that Silknet has a reasonable suspicion that a breach of Applicable Law may take or has taken place, cooperate in good faith with Silknet and its representatives in determining whether such a violation has occurred;
 - 1.9. During the term of the contract and for a period of five years after the completion or termination of the contract the Silknet shall, to the extent permitted by local legislation and/ or regulations, upon request be entitled to perform audits at Supplier’s premises or sites and/or at Silknet’s premises or sites regarding Supplier’s proper fulfilment of the contract as regards pricing and invoicing, quantity and quality of deliverables and related processes, Confidential

Information, IT and premises security, personal data protection and the Supplier Code of Conduct. Such audit shall be performed, subject to advance notice of seven (7) business days. Silknet shall be entitled to perform short-notice audits with one (1) business days' notice if a distinct incident has given rise to ground for suspicion of Supplier's breach of this Policy.

- 1.10. An audit under clause 1.9 may only be carried out either by Silknet's staff or by a professional third party contracted by Silknet, provided that the contracted third party has entered into confidentiality undertakings reasonably acceptable to Supplier. Silknet shall bear its own cost for audits, unless the audit identifies a breach of the contract by Supplier which is not insignificant, in which case Supplier shall bear Silknet's cost for the audit.
 - 1.11. If Silknet, based on reasonable objective grounds, suspects or determines that there has been a breach by Supplier of any stipulation of this Policy, such a breach shall be deemed a material breach of the contract and Silknet shall have the right to suspend payments or terminate the contract without prejudice to Silknet's rights under the contract or at law; and further, where any such breach exposes Silknet to potential criminal liability, suspension and/or termination of the contract shall take place immediately upon notification to Supplier notwithstanding any right to remedy such breach that may be contained elsewhere in the contract.
 - 1.12. In order to give effect to the above, Supplier shall ensure that any natural or legal person external to Supplier who is supplying deliverables in connection with the contract only does so on the basis of a written contract which secures that such person undertakes to follow terms and conditions equivalent to those imposed on Supplier in this Policy. Supplier shall however remain responsible for the observance and performance by such persons of these terms and conditions and remain directly liable to Silknet for any breach thereof.
 - 1.13. Supplier shall indemnify Silknet and its direct and indirect shareholders (including but not limited to Affiliates but excluding owners of floated shares of a publicly listed company), directors, officers and employees against all losses which they have suffered, including any civil or criminal penalties or fines imposed on any of the above as a result of breach of this Policy by Supplier.
2. In this Policy, "Public Official" means, in addition to any wider meaning under any Applicable law:
- 2.1. Any person employed / acting on behalf of the governmental authorities of the legislative, executive, judicial authorities, administration of the President, including administrative bodies, sub-agencies, international governmental organizations);
 - 2.2. a political party official;
 - 2.3. a candidate of the presidential, parliament membership or local self-government representative body elections that participates in the election campaign;
 - 2.4. Any employee of a state-owned business, institution or non-commercial legal entity.