

CubelQ Anti-Bribery & Anti-Corruption Policy (Specifics)

Version 2

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1 Revision History

Date modified	Version	Prepared By	Changes made
11/2015	0.90	Ddg	Initial internal release
12/2015	1.00.00	Ddg	Final internal release
05/20016	1.11.00	Ddg	First public release

2 Background

CubelQ Limited and its subsidiaries and affiliates (collectively, the “Company”) implemented and continuously maintains a compliance and ethics program to educate employees about laws designed to prevent bribery and corruption, and to prevent violations of these laws.

The Company has designed and implemented the following Anti-Bribery & Anti-Corruption Policy (“the Policy”) the purpose of which is to help the Company comply with all related applicable laws including the:

- USA Foreign Corrupt Practices Act 1977 and its amendments
- UK Bribery Act 2010 and its amendments
- Canada Corruption of Foreign Public Officers Act 1998 and its amendments
- Australia Criminal Code Act 1995 (Cth) and the Corporations Act 2001 (Cth) and its amendments
- New Zealand Crimes Act 1961, Crimes (Bribery of Foreign Public Officials) Amendment Act 2001 and Secret Commissions Act 1910 and its amendments
- EU Directives on Anti-Bribery, Anti-Corruptions and its and its amendments
- Individual countries and jurisdiction, where the company is conducting business, Anti-Bribery and Anti-Corruptions laws and regulations

The above Laws, Regulations and Directives together referred to in this Policy as the “Anti-Corruption Laws”.

3 Summary

Anti-Corruption Laws make it illegal for the Company, its officers, directors, employees and agents, and any stockholders acting on their behalf, to bribe any person or entity including officials outside (the “foreign officials”) of the United States, United Kingdom, European Union States, Australia, Canada and New Zealand (the “Territory”).

The Policy is designed specifically to help all persons acting on behalf of the Company to understand the legal and ethical issues that can arise in dealings with foreign officials. This Policy applies to all directors, officers and employees of the Company (together, the “Company Personnel”), regardless of position, nationality, or location. It also applies to independent contractors, consultants, joint venture partners, vendors and any other third-party agents or representatives acting on the Company’s behalf (together, the “Vendors” and with the Company Personnel, the “Representatives”).

It is the Company’s policy that all Representatives shall conduct their activities in full compliance with the Policy and Anti-Corruption Laws. Failure to comply with the Policy and Anti-Corruption Laws may seriously harm the Company’s business success and reputation and may subject both the Company and the individuals involved to civil and/or criminal liability. The pages that follow provide a general guide to the requirements of the Policy and Anti-Corruption Laws and set forth the Company’s own requirements for conducting business in compliance with the Anti-Corruption Laws. This Policy, however, does not address and does not purport to address every potential scenario that may implicate Anti-Corruption Laws compliance issues. Consequently, it should be interpreted only as a general guide. Any Representatives who have further questions concerning the requirements of the Policy and Anti-Corruption Laws should consult with the Chief Compliance Officer (“CCO”) or the Chief Executive Officer (“CEO”).

Also, the Company is required to keep accurate and complete books and records and to maintain proper internal accounting controls.

This Policy should be read in conjunction with other compliance and general management policies established by the Company.

I. Anti-bribery Provisions

The Anti-bribery Provisions of the Anti-Corruption Laws make it illegal to give or offer anything of value to any foreign official for the purpose of obtaining or retaining business or securing an improper advantage. Both the Anti-Corruption Laws and this Policy require that these terms be interpreted broadly. Although there are any number of scenarios that could present the danger of an improper payment, typical examples include negotiating a potential contract with a foreign government or governmental entity or seeking permission from government officials to conduct certain business activities in a foreign country.

In addition to prohibiting corrupt payments directly to foreign officials, both the Anti-Corruption Laws and this Policy prohibit payments made to third parties with the knowledge that the payment or part of the payment will be passed on to foreign officials for corrupt purposes.

The limited circumstances in which payments or gifts may be made to foreign officials are set forth below. **Because of the strict limitations on payments to foreign officials imposed by the Anti-Corruption Laws, it is strict Company policy that no Representatives shall provide or offer anything of value to any foreign official except as set forth in this Policy.** Moreover, personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

II. Definition of Foreign Official

For purposes of this Policy, the term "foreign official" includes but is not limited to any employee, agent or instrumentality of any foreign government outside of the Territory, including departments or agencies of a foreign government, any organization controlled by the government, foreign political parties, candidates for office in a foreign country.

Please note that this broad definition encompasses all officers and employees of wholly or majority state-owned businesses and enterprises or businesses and enterprises controlled by the government, including public schools operated by branches or agencies of the any local government, even if they are not considered public officials under local law. The term foreign official also includes employees, agents and representatives of any Public International Organizations, such as the World Bank, the International Monetary Fund or the United Nations.

While it may appear relatively easy to determine who is a foreign official, in practice the distinction is often a difficult one. The scope of government officials under the Anti-Corruption Laws is often much broader than common concepts of civil servants and government officials under local law. An individual may be a government official even if he or she does not have a government title or is not directly employed by a government agency. In particular, many entities that appear to function as private sector businesses are in fact at least partially state-owned, and employees of such enterprises are often deemed to be government employees. For this reason, the Representatives should take extreme care in their dealings with representatives of foreign businesses. Any questions concerning the definition of foreign official should be raised with the CCO or CEO.

III. Meals, Entertainment and Gifts

The Anti-Corruption Laws does not prohibit the provision of small gifts or similar items of moderate value to foreign officials if these items are not offered with corrupt intent. Similarly, this Policy recognizes that the polite conduct of business in certain foreign countries may require that the Representatives offer token gifts or entertainment to foreign counterparts who may, in certain instances, function as government officials. In order to maintain compliance with the Anti-Corruption Laws while simultaneously conducting business in accordance with local custom, the Representatives may provide token gifts to foreign officials only when such

offerings are of nominal value, not unlawful, and in keeping with the custom or practice of the foreign official's country. Prior to providing any such gifts or entertainment, however, all Representatives must consult with the CCO/CEO and submit a request form to the CCO/CEO, and obtain specific authorization. The CCO/CEO may provide standing authorizations for the provision of pre-approved gifts.

Advance written authorization from the CCO/CEO is required for the payment or reimbursement of any gifts, entertainment, travel, or other benefits for ANY foreign government official, with the following exceptions.

The CCO/CEO in cooperation with the CEO may establish monetary thresholds for authorized expenses. Advance written authorization from the Chief Executive Officer will not be required if the expense:

- 1) does not exceed the applicable monetary threshold per recipient for a single event determined by the CCO/CEO;
- or
- 2) does not result in the same individual receiving benefits in excess of the applicable monetary amount from the Company in any 12 month period.

The CCO/CEO may provide standing authorizations for the provision of pre-approved gifts or entertainment. The CCO/CEO is prepared to provide prompt guidance to ensure the propriety and legality of gifts, entertainment, and travel for foreign officials.

Pre-authorized expenses should be documented and recorded accurately, in accordance with Company policy.

Any gift, entertainment, or payment to a government official for the purpose of influencing the recipient to act improperly is prohibited, even if satisfies the requirements for a pre-authorized gift or entertainment expense.

IV. Promotional Expenses

The Anti-Corruption Laws permits the Company to pay for reasonable expenses incurred by foreign officials in connection with the Company's promotion or demonstration of its products. As an example, if the Company is negotiating a contract with a foreign government, the Anti-Corruption Laws would not prohibit the Company from paying reasonable expenses, e.g., air travel, hotel, etc., associated with sponsoring a delegation of foreign officials to travel to the Territory to tour a production facility. Nor would the Anti-Corruption Laws prohibit the Company from providing a reasonable quantity of the Company's products to foreign officials for demonstration purposes.

Any promotional expenses paid on behalf of foreign officials, however, must be strictly limited to those relating directly to the Company's promotion or demonstration of its products. Under no circumstances may such payments be used as an excuse to provide foreign officials with anything of value unrelated to the promotion or demonstration of its products. Prior to making any payment to a foreign official for promotional purposes, the Representatives must consult with the Chief Executive Officer, submit a written request detailing the circumstances surrounding the proposed payment and receive written authorization for the payment. Finally, any promotional payments must be completely and accurately reflected in the Company's financial records.

V. Use of Local Partners or Agents

The Company's commitment to compliance with the Anti-Corruption Laws must extend to the activities of the Vendors. The Company and its individual officers and employees may be liable for payments made by a third party (sales representative, subcontractor, consultant, agent, or joint venture partner) of anything of value to any foreign official, even if the third party is not subject to the Anti-Corruption Laws, and even if the Company is not aware of the payment. The Anti-Corruption Laws imposes liability if the Company, or its officers or employees, give, pay, promise, offer or authorize such payment when the Company knows or has reason to

know that it will be used in whole or in part to make an illegal payment to a foreign official.

Company Personnel should be careful to avoid situations involving third parties that might lead to a violation of the Anti-Corruption Laws. Therefore, prior to entering into an agreement with any Vendors who acts on behalf of the Company in dealings with foreign governments, Company Personnel must perform proper and appropriate Anti-Corruption Laws-related due diligence and obtain from the third party certain assurances of compliance with the Anti-Corruption Laws and this Policy.

The duty to comply with the Anti-Corruption Laws does not end once a due diligence investigation has been completed and a contract has been entered. The company may still be subject to an Anti-Corruption Laws violation if it fails to monitor third parties throughout the duration of the relationship. Therefore it is important that audits are performed periodically to review the file and check whether all relevant documentation is in the file and whether anything in the file suggests the need for further inquiry.

VI. Penalties for Violations

In addition to jeopardizing the Company's business reputation, violations of the Anti-Corruption Laws can subject both the Company as well as individual employees to substantial criminal and civil penalties.

Businesses may be fined up to \$2,000,000 (or equivalent), or, alternatively, twice their pecuniary gain, for criminal violations of the Anti-Corruption Laws's Anti-bribery Provisions. In addition to criminal penalties, a civil penalty of up to \$10,000 (or equivalent) may be imposed upon a company that violates the Anti-bribery Provisions, against any officer, director, employee or agent, or a stockholder acting on behalf of a company.

Individuals who violate the Anti-bribery Provisions may be fined up to \$250,000 (or equivalent) or twice the amount of the pecuniary gain resulting from the unlawful payment(s) and may be imprisoned for up to five years. The Company may not reimburse an officer, director, employee or agent for the amount of the fine involved. In addition any officer, director, employee or agent of the Company can be prosecuted even if the Company is not. The Territory Department of Justice and the Territory Securities Exchange Commission may also obtain injunctions to prevent Anti-Corruption Laws violations.

In addition to the above penalties, violations of the Company's Anti-Corruption Laws Policy may result in discipline by the Company, including termination of employment.

VII. Targeted Compliance Training

It is the Company's goal to provide all employees with a basic understanding of the requirements of the Anti-Corruption Laws and the ethical constraints attendant to dealing with foreign officials. That said, the Company recognizes that certain employees are more likely to confront Anti-Corruption Laws issues in the course of their employment duties. In an effort to ensure that such employees have an understanding of the ways in which the Anti-Corruption Laws will affect their specific business responsibilities, the Company will offer, and require that certain employees attend, targeted Anti-Corruption Laws training sessions. The Company may also require that certain employees sign periodic certifications of compliance with the Anti-Corruption Laws.

VIII. Whistleblower Protection

The Company takes its commitment to Anti-Corruption Laws compliance with the utmost seriousness and expects all the Representatives to share that commitment. The Company, therefore, expects and requires that any Representatives that have knowledge of, or reason to suspect, any violation of the Anti-Corruption Laws or this Policy contact the CCO/CEO immediately. It is strict Company policy that no adverse employment or other action will be taken against any Representatives in retaliation for reporting a violation or suspected violation of the Anti-Corruption Laws or this Policy.

IX. Record Keeping

The Anti-Corruption Laws requires that the Company and all of its subsidiaries to maintain accurate financial records which reflect in reasonable detail all transactions and dispositions of assets. These provisions are designed to ensure that all payments made by the Company are accurately reflected in the Company's financial records and that all payments made with Company funds, or on behalf of the Company, have been properly authorized. Therefore, the Anti-Corruption Laws prohibits the mischaracterization or omission of any transaction on the Company's books, as well as the failure to maintain control over the Company's financial records such that a mischaracterization or omission may result.

Accordingly, the Representatives must follow applicable standards, principles, laws and Company practices for accounting and financial reporting. In particular, the Representatives must be timely and complete when preparing all reports and records required by management. In connection with dealings with public officials and with other international transactions, the Representatives must obtain all required approvals from the CCO/CEO and, when appropriate, from foreign governmental entities, prior to paying or authorizing a payment to a foreign official.

The Representatives should be sure that no part of any such payment is to be made for any purpose other than that to be fully and accurately described in the Company's books and records. No undisclosed or unrecorded accounts of the Company are to be established for any purpose. False or artificial entries are not to be made in the books and records of the Company for any reason.

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