

Bribery, Corruption and Money Laundering Prevention and Counteraction Policy

Regulations on the Bribery, Corruption and Money Laundering Prevention and Counteraction of Non-governmental Organization "Ukrainian Pet Association Worldwide"

1. General Terms and Scope of Regulation

1.1. Definition of Terms:

- Corruption shall mean the use by an official of powers granted to him/her or related opportunities for the purpose of obtaining an unlawful benefit or accepting such a benefit or accepting a promise/offer of such benefit for himself/herself or other persons or, accordingly, a promise/offer or provision of an unlawful benefit to a person or on demand to other individuals or legal entities with the aim of inducing such a person to the unlawful use of the official powers granted to him/her or related opportunities.
- Corruption shall mean the use of one's official position and the rights and opportunities associated therewith for personal gain, as well as the illegal provision of such benefits to other persons through bribery, illegal gratification and any other similar actions that are contrary to the interests of the state and the moral principles of societies
- Bribery shall mean the offer, promise, or acceptance of a certain benefit as an inducement to act illegally or unethically.
- Bribe shall mean an illegal reward of a material nature in order to obtain a certain material or non-material benefit, that is, the subject of a bribe shall be exclusively material in its nature.
- Money Laundering shall mean the commission of actions in order to give a legal form to the possession, use or disposal of illegal income or actions aimed at hiding the sources of the income origin.
- Nepotism shall mean work placement bypassing a competition or of a person who probably does not meet the requirements, problem solving instead of the person mentioned, inflated wages, unofficial relationships, "imaginary" employees (they receive salaries, but do not work), combining work, etc.
- Potential Conflict of Interest shall mean the presence of a private interest in the area in which the person exercises his/her official or representative powers, which may affect the objectivity or impartiality of decision-making, as well as commission or non-commission of actions in the exercise of these powers.
- Real Conflict of Interest shall mean a contradiction between the private interest of an individual and his/her official or representative powers, which affects the objectivity and impartiality of decision-making, as well as commission or non-commission of actions in the exercise of these powers.
- NGO shall mean Non-governmental Organization "Ukrainian Pet Association Worldwide"

1.2. This Policy shall be mandatory for application by the authorized person, employees and members of the NGO

2. Purpose of the Policy

The Policy purpose shall be to improve the Organization's competitiveness, including access to finance and the status of a reliable partner, the reputation of the Organization, ensuring greater trust with counterparties, the prevention of violations at an early stage and increasing the trust of partners, as well as the way to access cooperation with large international companies.

3. Key Policy Principles

3.1. Development and adoption of measures necessary and justified to prevent and counteract bribery, corruption and money laundering in the NGO activities

3.2. Establishing clear regulations, ethical rules and sanctions in such a way that employees do not use their powers/positions and opportunities to obtain improper benefits for themselves or other people

3.3. Introduction of rules regarding receiving gifts, conflicts of interest, etc.

3.4. Determination of limitations of compatibility and combination with other activities

3.5. Development and approval of the rules of ethical conduct for employees

3.6. Development of whistleblower protective measures and various forms of reporting to expose violations/offenses

3.7. Arrangement of anti-corruption seminars and trainings for employees

3.8. Introduction of maximum transparency and openness to third parties

3.9. Development of procedures for monitoring, evaluation and periodic reviewing of anti-corruption measures

4. Liability

4.1. Officials and employees of legal entities, other persons performing works or being in labor relations with the NGO shall:

4.1.1. Not commit or participate in the commission of corruption offenses related to the NGO activities

4.1.2. Refrain from behavior that can be regarded as a willingness to commit a corruption offense related to the NGO activities

4.1.3. Immediately inform the official responsible for preventing corruption in the NGO activities, the Chairperson or founders (participants) about:

- cases of incitement to commit a corruption offense related to the NGO activities;
- cases of corruption or related to corruption, bribery or money laundering by other employees of the NGO or third parties;
- the occurrence of a real, potential conflict of interest

4.2. The Chairperson, founders (participants) of the NGO shall ensure regular assessment of corruption risks in its activities and implement appropriate anti-corruption measures. To identify and eliminate corruption risks in the activities of a legal entity, independent experts may be involved, in particular, to conduct an audit.

5. Determining the Corruption Risks

5.1. Determining the corruption risks of an Organization shall be the process of assessing the level of vulnerability of all areas of its activity, including:

- identification of relevant corruption risks in different areas of activity of a particular organization;
- assessment of the consequences of corruption risks;
- determination of measures to reduce or eliminate corruption risks

6. Caution Statement

6.1. For an employment agreement, corporate code of conduct or job description:

“The employee shall comply with the anti-corruption legislation of Ukraine, including the anti-corruption policy of the Organization and other local regulations governing anti-corruption relations

6.2. For agreement with partners within the country:

“When fulfilling their obligations under this Agreement, the Parties, their affiliates, employees or representatives shall guarantee compliance with the anti-corruption legislation of Ukraine, namely: they shall not directly or indirectly transfer, offer or promise the payment of any money or any value on behalf of or in the interests of a legal entity to any persons to influence the actions or decisions of these persons in order to obtain any advantages over others”

6.3. For international agreements:

In fulfilling their obligations under this Agreement, the Parties, their affiliates, employees or intermediaries shall not directly or indirectly pay, offer to pay or allow payment of any money or any value to any persons to influence the actions or decisions of these persons in order to obtain any undue advantage.

When fulfilling their obligations under this Agreement, the Parties, their affiliates, employees or intermediaries shall not commit actions qualified by the applicable law for the purposes of this Agreement as giving/receiving a bribe, commercial bribery, as well as actions that violate the requirements of applicable law and international acts on countering legalization (laundering) of money obtained by criminal means.

If a Party suspects that a violation of any of the provisions of this Article has occurred or may occur, the Party concerned shall notify the other Party in writing. Upon written notification, the respective Party shall have the right to suspend the performance of its obligations under this Agreement until confirmation is received that a violation has not occurred or will not occur. This confirmation shall be sent within ten working days from the date of sending the written notification.

In a written notification, the Party shall refer to the facts or provide materials that reliably confirm or give reason to believe that the counterparty, its affiliates, employees or intermediaries has violated

any provisions of this clause or it may violate. This actions may be expressed or qualified by applicable law as giving or receiving a bribe, commercial bribery, as well as actions that violate the requirements of applicable law and international acts on countering legalization (laundering) of money obtained by criminal means.

In case of violation by one Party of obligations to refrain from actions prohibited by clause 1 hereto and/or failure by the other Party to receive confirmation within the period established by this Agreement that the violation has not occurred or will not occur, the other Party shall have the right to terminate the Agreement unilaterally in whole or in part by sending written notification of termination. The Party initiating termination of this Agreement in accordance with the provisions of this clause shall have the right to demand compensation for actual damages resulting from such termination.

7. Standards of Relations within the Policy Framework

7.1. All business partners shall be informed about the NGO policy in the field of bribery, corruption and money laundering prevention and counteraction.

7.2. The NGO publicly announces the application of the program for bribery, corruption and money laundering prevention and counteraction in relation to business partners.

7.3. The NGO shall add a reservation clause on bribery, corruption and money laundering prevention and counteraction to Agreements/Contracts with business partners.

7.4. The NGO shall not accept commercial bribery to establish business relations with its partners

7.5. Business partners shall be motivated to comply with anti-corruption standards of the NGO through the use of commercial, legal and reputational incentives and sanctions.

7.6. When choosing a new business partner, the NGO shall agree to mutual preliminary due diligence aimed at eliminating the possibility of participation in corruption schemes, fraud and laundering of money obtained by criminal means.

7.7. The NGO shall not accept commercial bribery, bribery and the use of administrative resources to gain competitive advantages

7.8. The company shall not accept the use of insider information to obtain competitive advantages

7.9. Charitable contributions and sponsor support shall not be used to obtain undue advantages or cover up corrupt practices

7.10. Business processes and business relations of the NGO shall be carried out as stipulated by the legislation of Ukraine and with the application of foreign law

7.11. All business transactions shall be transparent and accountable

7.12. The NGO shall strictly prohibit all its employees the abuse of position, giving or receiving a bribe, other illegal use of their official position in order to gain benefits in the form of money, values, etc. for their own benefit or for third parties

7.13. The NGO shall strictly prohibit its management and employees to take any actions aimed at paying bribes for simplifying, speeding up formal procedures, as well as for solving issues related passing inspections and audits.

7.14. The company, the company's management and the company's employees shall have no right to directly influence the decision-making process regarding the company's activities by government officials.

8. Supplementary Conditions

The NGO shall reserve the right to change the terms and conditions herein at any time.