



FOREIGN CORRUPT PRACTICES

The Company shall conduct its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with the relevant laws and regulations applicable to it.

1. DEFINITIONS

Agent	Means a person or organization that is retained by the Company to represent, further or develop its business interests in a foreign country. This includes consultants and entities that lobby or deal with foreign governments, their agencies, politicians or employees to obtain, retain or develop business on the Company's behalf.
Bribe	Means the giving, offering or agreeing to give or offer to a Foreign Public Official, whether directly or indirectly or through an intermediary, any reward, advantage or benefit of any kind, so that such official or a third party will act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or gain an improper advantage for the Company.
Company	Means Serenic Software.
Contractor	Means a person or an entity who supplies materials, labor or services to the Company.
Employee	Means a temporary, permanent or contract employee of the Company.
Extortion	Means an act to obtain something of value by force, threats or persistent demands.
Facilitation Payment	Means a small payment made solely to expedite or secure the performance of the following routine government actions only: <ol style="list-style-type: none"> 1. obtaining permits, licenses or other official documents to qualify to do business in a foreign country; 2. processing governmental papers, such as visas and work permits; 3. providing police protection, mail services, scheduling inspections related to contract performance or transit of goods; 4. providing telecommunication service, utilities, loading and unloading cargo or protecting perishable goods from deteriorating; or 5. actions of a similar nature
Foreign Joint Venture Partner	Means a resident or national of a foreign country, an entity incorporated or established in a foreign country, a foreign subsidiary of an entity incorporated or established in Canada or the USA, a foreign government, or any agency of a foreign government that has been proposed as, or may become, a joint venture partner of the Company in a foreign country.

Foreign Public Official	Means any person holding a legislative, administrative or judicial office of a foreign country, whether appointed or elected; any person exercising a public function for a foreign country, including for a public agency or public enterprise; or any official or agent of a public international organization; and includes relatives of any such person.
Improper Payment	Means a Bribe, Kickback or a Facilitation Payment.
Kickback	Means a Bribe, Kickback or a Facilitation Payment.
Managing Director or President	Means the person holding the office of the president of Serenic Software except where the reference to Company is in respect of a subsidiary of Serenic Software, in which case, it means the person holding the office of the managing director or president of Serenic Software or other subsidiaries as Serenic Software may own.

2. BRIBES

The Company, its Employees or its Agents shall not offer or give a Bribe to a Foreign Public Official, political party, party official or political candidate, and any demands for such a Bribe shall be rejected and immediately reported to the Company's executive management.

3. KICKBACKS

The Company, its Employees or its Agents shall not kick back any portion of a contract payment to employees of another contracting party, or utilize any other techniques, such as subcontracts, purchase orders or consulting agreements, to channel payments to Foreign Public Officials, to employees of another contracting party, or to their relatives or business associates. Any demands for a Kickback shall be rejected and immediately reported to the Company's executive management.

4. EXTORTION

The Company, its Employees or its Agents shall not, directly or indirectly, demand or accept anything of value from a party doing business with the Company where the purpose of the exchange is the improper or secretive facilitation or furtherance of the Company's business interests. Any attempts at or instances of extortion shall be immediately reported to the Company's executive management.

5. GIFTS

Small gifts or mementos may be given or accepted on the Company's behalf if they are of minimal value, given in a direct, transparent and *bona fide* manner, and which are appropriate in the circumstances.

In situations where there is some doubt on the appropriateness of a particular gift or memento, the giving or receipt of such items must be reviewed and approved by the President.

6. EXPENSES

Employees can pay or reimburse the reasonable expenses incurred in good faith by or on behalf of a Foreign Public Official if:

- 6.1 there is a clear, justifiable business reason for such expenses;
- 6.2 the expenses are legal under the laws of the country of the Foreign Public Official and considered customary in such country; and
- 6.3 the expenses have been properly recorded in reasonable detail such that they accurately and fairly reflect the true nature and amount of the transaction.

It is not appropriate to pay or reimburse travel expenses of either spouses or children of Foreign Public Officials unless they are reasonable, appropriate under the circumstances and *bona fide*. Such expenses must be fully justified in writing and approved by the President.

Travel expenses of Foreign Public Officials must not be paid twice; i.e., the Company either pays the expenses directly or provides a reasonable, appropriate under the circumstances and *bona fide* per diem, but not both.

7. FACILITATION PAYMENTS

- 7.1 The Company prohibits the use of Facilitation Payments. Facilitation Payments have been banned under amendments made February 5, 2013 to the Canadian law “Corruption of Foreign Public Officials Act”:

8. AGENTS

8.1 Government Agents

The Company shall not retain an Agent to represent the business interests of the Company in a particular country if such Agent or any of the Agent’s principals, staff, officers or key employees are government or public officials or political party officials. However, if the President deems necessary, then such an Agent may be retained in accordance with the following terms and conditions:

- (i) the reputation, background and past performance of the Agent will be properly researched and documented; and
- (ii) the Agent will be retained pursuant to a written agreement specifically defining the Agents duties, providing for an acknowledgement that such Agent understands the provisions of this Policy, agrees to comply with its terms as well as any provisions of applicable law, immediate termination in the event of an improper payment and requiring annual certification and the right of the Company to audit expenses and invoices.

9. FOREIGN JOINT VENTURE PARTNERS

Prior to entering into any joint venture with a Foreign Joint Venture Partner, the Company shall complete due diligence on and an approval of such party similar to retaining an Agent as described above. All contracts entered into with a Foreign Joint Venture Partner shall contain provisions that ensure that there is no breach of applicable laws on corruption. The Company shall retain sufficient management control of any such joint venture arrangement to ensure that its business practices are in compliance with such laws, or at a minimum, that the joint venture has proper controls in place to ensure compliance with such laws.

10. CONTRACTORS

All Contractors shall be made aware of this Policy, and the Company shall not enter into any agreement with a Contractor that contravenes this Policy.

11. POLITICAL CONTRIBUTIONS

Contributions to political parties or committees or to individual politicians may only be made in accordance with the applicable law and this Policy, and all requirements for public disclosure of such contributions shall be fully complied with. All such contributions must be approved by the President.

12. EMPLOYMENT

Foreign Public Officials may only be employed by the Company if:

- 12.1 such employment is required by foreign government regulations or contractual provisions with a foreign government, or is specifically requested in writing by a foreign government;
- 12.2 such employment is lawful in such country;
- 12.3 the services to be rendered to the Company do not conflict in any manner with the governmental duties of such person; and
- 12.4 all payments are properly made and reported according to the laws and customs of that country.
- 12.5 The President has reviewed and approved such employment.

13. COMPLIANCE AND REPORTING VIOLATIONS

- 13.1 Any Employee who becomes aware of a prior or potential violation of this Policy is required to contact the President and the President shall inform the Audit Committee on a timely basis. Any Employee making a *bona fide* report by themselves or by another employee of an alleged violation shall be fully protected and indemnified by the Company.
- 13.2 If an Employee, Agent or Contractor is found to be in violation of this Policy, appropriate corrective action, including dismissal, shall be taken.