

BALTIC CLASSIFIEDS GROUP PLC

Anti-Bribery and Anti-Corruption

Summary

- Never give, offer, solicit or receive bribes
- Notify the General Counsel immediately if you have knowledge or suspicion of corruption within Baltic Classifieds Group
- Always follow the Gifts and Entertainment Policy
- Familiarise yourself with the anti-corruption laws that apply in the country where you are based
- Penalties for breaching anti-bribery laws are severe

Introduction and General Principles

The purpose of this Policy is to ensure that the Baltic Classifieds Group complies with:

- (i) the UK Bribery Act of 2010 (the “Bribery Act”);
- (ii) the US Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”);
- (iii) the Lithuanian Criminal Code and Law on the Adjustment of Public and Private Interests;
- (iv) the Estonian Anti-corruption Act (EACA); Estonian Penal Code (EPC) Chapter 17, Division 2 “Breach of Duty to Maintain Integrity”;
- (v) the Latvian Law on Prevention of Conflict of Interest in Activities of Public Officials, Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing, Latvian Criminal Law and Law On Prevention of Squandering of the Financial Resources and Property of a Public Person;
- (vi) other applicable anti-corruption laws that prohibit the offer, promise, making of, authorising, providing or payment (directly, or indirectly through third parties) of anything of value to any person, including government officials (and family members of government officials) in any jurisdiction to obtain or retain business or obtain an improper advantage for Baltic Classifieds Group benefit; and
- (vii) the requirements of Baltic Classifieds Group regarding our conduct with agents, business partners, customers, and vendors.

This Policy applies to all Baltic Classifieds Group employees, including all directors, officers and board members, as well as agency workers, contractors, consultants and seconded staff, anywhere in the world and references in this Policy to “employees” shall include all such persons.

The Company expects and requires you to comply with these laws and this Policy, which is designed to protect you and the Company from potential liabilities and penalties. Failure to follow these laws and this Policy may result in any number of serious consequences, including probation, suspension without pay, reduction in salary, termination of employment and restitution, as well as civil and criminal fines and imprisonment.

Section 1 – Prohibition on Payment or Receipt of Bribes

Under this Policy, Company employees are not permitted to give or offer anything of value (as discussed below), directly or indirectly, to any Government Official (as defined below) or any commercial party for the purpose of improperly obtaining or retaining a business advantage, or to bring about, reward or constitute an improper performance of a relevant function or an activity by that person or party.

- “Anything of value” should be broadly interpreted to include cash gifts, gifts to family members, forgiveness of a debt, loans, personal favours, entertainment, meals and travel, political and

charitable contributions, business opportunities, and medical care, among other items. It need not be financial and can include a non-financial advantage in the conduct of business or otherwise.

- “Government Official” includes all officers or employees of a government department, agency or instrumentality; permitting agencies; customs officials; candidates for political office; and officials of public international organizations (e.g., the Red Cross). This term also includes officers or employees of government owned or controlled commercial enterprises, such as state-owned or controlled universities, airlines, energy companies, health care facilities or other vendors. This term also includes family members and close associates of such individuals (e.g., it is not permissible to give a lavish gift to the sibling, spouse or child of a government employee if a gift to the government employee would be prohibited under this Policy).

Simply put, bribes, kickbacks or similar payments are never permitted, whether made to a Government Official or to customers, investors, clients or other private parties. Similarly, Company employees may not solicit or accept such payments.

If confronted with a request or demand for an improper payment or other breach of this Policy, the request or demand must be immediately rejected and reported to the General Counsel. Similarly, if anyone knows or believes that an improper payment has been or will be made, that employee must also report such payment to the General Counsel.

The Company’s Policy is that, to the extent legally permissible, no adverse employment action will be taken against any employee in retaliation for, honestly and in good faith, reporting a breach or suspected breach of anti-bribery or anti-corruption laws or this Policy. Please refer to the Whistleblowing Policy for additional details.

“Facilitating”, “expediting” or “grease” payments

“Facilitation Payments” are payments made to Government Officials for carrying out or speeding up routine nondiscretionary procedures. Facilitation Payments are distinct from an official, publicly available fast-track process.

For example, if an immigration official requests a payment to process a visa into a country despite the traveller having met all official criteria for entry, that payment to the individual immigration officer could be considered a Facilitation Payment. Similarly, a discretionary payment to secure phone service, power, and water supply to a building in a foreign country would be considered a Facilitation Payment. Facilitation Payments, or offers of such payments, may constitute a criminal offence by both the individual concerned and the company under many antibribery or anti-corruption laws and are generally prohibited under this Policy.

Therefore, as a Policy matter, the Company is opposed to Facilitation Payments and such payments must not be made. Careful planning and scheduling should be adopted to avoid any such risks.

What if an individual makes a threat with a demand for payment?

Certain anti-bribery laws may recognize that there are circumstances in which individuals are left with no alternative but to make payments in order to protect against loss of life, limb or liberty (e.g., to expedite an evacuation or airlift to seek medical attention; if threatened with a weapon at an airport while trying to leave the country; etc.). In such cases, defences of duress may be available. When faced with such a demand for payment, Company employees should make every practicable effort to request and receive guidance from the General Counsel. In any event, after such payments have been made, they must be reported as soon as possible with a follow up report in writing to the General Counsel. Any such payment must also be accurately and completely recorded in the Company’s books and records.

Charitable Donations and Political Contributions

All charitable contributions, sponsorships or donations made on behalf of the Company must be pre-approved by the General Counsel or a director of the Company. Company employees must also recognize that personal donations to charities of existing or prospective business partners might with hindsight look like donations by the Company and should act accordingly seeking guidance from the General Counsel before making such donation.

The Baltic Classifieds Group, as an organisation, does not make contributions to any political parties. All political contributions by Company employees are required to be pre-cleared by written notice to the General Counsel.

Employment/Internships

On occasion, the Company may receive requests to provide internships or employment to certain individuals. Offering internships or employment to Government Officials, the Company's business partners, customers or potential customers, or individuals associated with such parties may be viewed as providing an item of value, even if unpaid.

If any employee is aware that a candidate for an internship or employment position is being considered in response to a request from a Government Official, business partner, customer or potential customer, or individual associated with any such party, or otherwise has a relationship (e.g., family member or close associate) with any such party or individual, they shall immediately notify the General Counsel of such request and/or relationship, who must review the internship or employment offer.

Gifts/Entertainment

The Bribery Act and the FCPA allow for bona fide hospitality expenses and the provision of promotional or similar items of nominal value. This Policy recognises that polite conduct of business in certain countries may require you to incur reasonable and proportionate hospitality and promotional or other similar business expenditures.

Please refer to the Gifts and Entertainment Policy for additional details.

Section 2 – Third-Party Intermediaries

At times, the Baltic Classifieds Group uses the services of third-parties to act on the Company's behalf and further the Company's business opportunities. This Policy extends to the activities of all such "Third-Party Intermediaries," which are defined as any entity or person with authority, or who can reasonably be perceived as having the authority, to interact with others on behalf of the Company or who performs services on behalf of the Company, such as consultants, legal or financial advisers or debt collectors.

The Company is committed to ensuring that Third-Party Intermediaries that help the Company obtain or retain business or interact on the Company's behalf, directly or indirectly, with Government Officials, agencies, or state-owned entities are aware of the Company's prohibition against corruption and agree to abide by the Company's policies, as well as their own policies and all applicable laws in this area.

The questions and answers below explain certain considerations with respect to the use of Third Party Intermediaries:

Is the Company responsible for the actions of its Third-Party Intermediaries?

If the Company knows or has reason to believe a Third-Party Intermediary is making or offering improper payments on the Company's behalf, the Company may be held responsible for the Third-Party Intermediary's actions.

Therefore, it is important for all employees to be alert for signs that are often associated with bribery and corruption. Such signs are called "red flags" and are discussed more fully below. Acting with wilful blindness by "looking the other way" or "burying your head in the sand" and ignoring red flags may be sufficient to establish knowledge.

Since the illegal or improper actions of Third-Party Intermediaries can have serious and detrimental consequences to the Company and its employees, the Company requires appropriate risk-based assurances from our Third-Party Intermediaries, including that they: (1) understand our requirements; (2) will not engage in bribery while working with the Company; and, (3) have effective internal controls that are sufficient to provide reasonable assurances that any violations of applicable anti-bribery, anti-corruption, anti-money laundering, and other laws and applicable policies (including this Policy) will be prevented, detected, and deterred.

What is required prior to working with a Third-Party Intermediary?

The Company is committed to taking a proportionate and risk-based approach to due diligence of its Third-Party Intermediaries. Where Third-Party Intermediaries are engaged, an effective risk assessment informs the procedures to be imposed to mitigate the risk of bribery by any such Third-Party Intermediary. The business should assess the reputation and standing of the firm or individual it is employing and the historical issues that have arisen in the relevant industry sector or region of employment. For example, when employing well-recognized, internationally-known banks, lawyers, accountants or management consultants, there will likely be little formal diligence necessary, but that will likely not be the case when hiring a small, local firm or individuals.

For lower-risk Third-Party Intermediaries, the Company may determine that the risk is sufficiently addressed by requiring adequate representations and warranties in their written Third-Party Intermediary Agreement. For other Third-Party Intermediaries, the initial risk assessment may indicate that further diligence is warranted, such as the completion of a compliance questionnaire or public source checks, up to, in limited instances, a third-party reputational check. At a minimum, all agreements with Third-Party Intermediaries should have appropriate representations and covenants regarding compliance with relevant anti-bribery and anti-corruption laws. The risk assessment should be documented and additional diligence should be conducted, if determined necessary.

“Red Flags”

You must always be aware of potential red flags associated with Third-Party Intermediaries. Red flags are certain actions or facts which should alert a company that there is a high possibility of improper conduct by a Third-Party Intermediary.

Red Flags are important because under applicable anti-bribery and corruption laws, a company can be responsible if it consciously disregards or ignores evidence of an improper benefit to another person. In other words, the Company is responsible not only for what it actually knows, but also for what it should know based on the facts. Red flags provide information about potentially improper conduct. A red flag does not mean that something illegal has happened, but rather that further investigation is necessary.

Red flags are highly fact-dependent, but some examples of red flags are:

- A Third-Party Intermediary is related to or recommended by a foreign Government Official;
- Invoices are not adequately documented or are higher than normal;
- A foreign Government Official or their representative demands retention of a particular party or suggests that such retention will make it easier to obtain business;
- The country involved has a reputation for corruption and bribery, according to the corruption perception index available at: <http://www.transparency.org/research/cpi/overview>;
- A Third-Party Intermediary requests to be paid in cash or in an unexpected country or currency;
- A Third-Party Intermediary has past convictions or charges for violating local laws;
- Demands for lavish entertainment, gifts or travel in connection with negotiations;
- Refusal to agree to abide by the Bribery Act or the FCPA, any other applicable law or this Policy; or
- Third-Party Intermediary has little or no experience in the relevant industry but has “connections” to the government.

Penalties for Breach

Baltic Classifieds Group takes its obligations to prevent bribery very seriously. As a result, any breach of this Policy or the procedures set out within this Policy may be considered to be gross misconduct

and may result in an employee's dismissal. Where an employee has been involved in or suspected of involvement in bribery that is not connected with Baltic Classifieds Group, this may still affect such employee's suitability for on-going employment with us.

In relation to Third-Party Intermediaries, a breach of this Policy could lead to the suspension or termination of any relevant contract, sub-contract or other agreement.