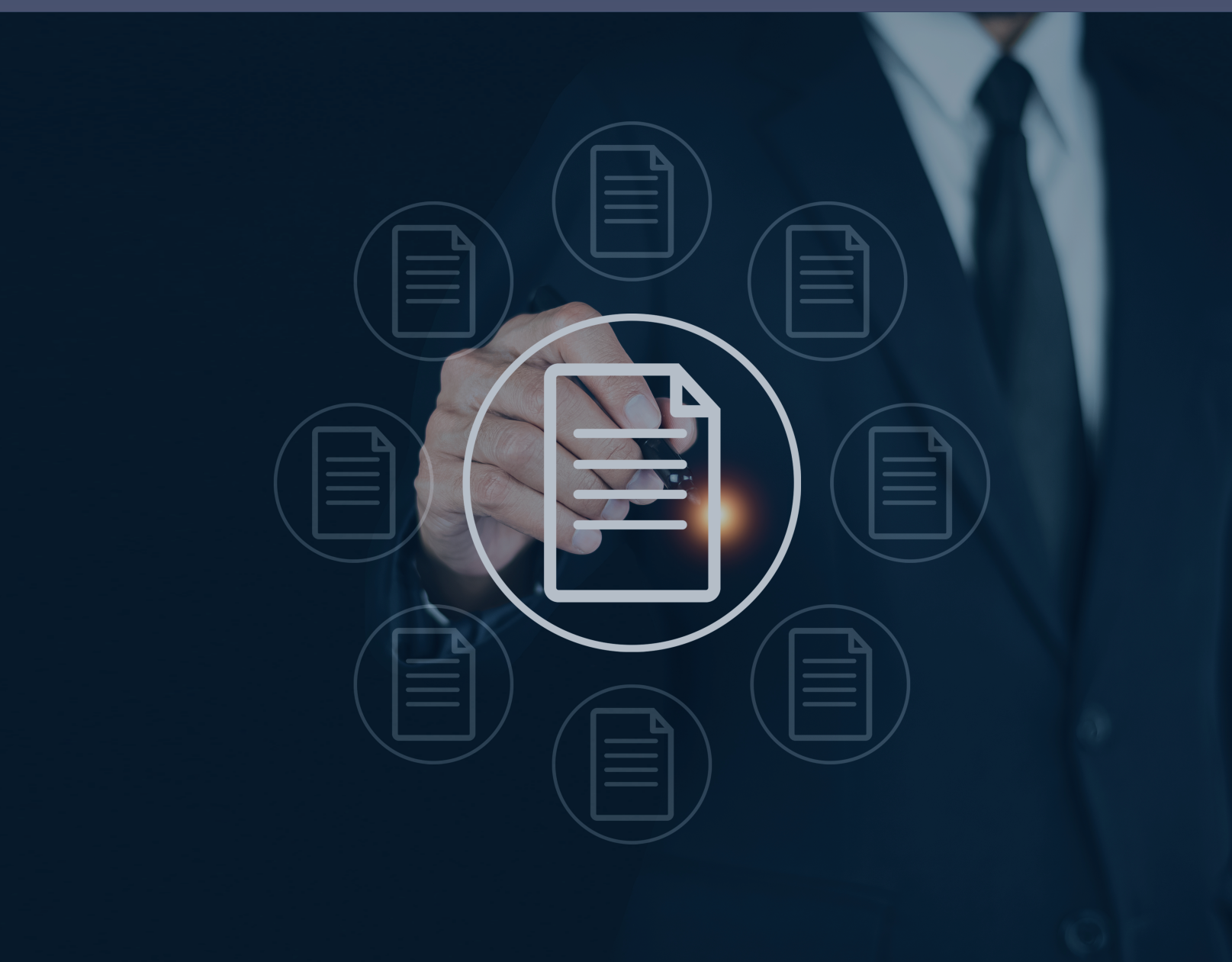
STRACON Group Holding Inc. Anti-Bribery and Anti-Corruption Policy



STRACON GROUP HOLDING INC.

Anti-Bribery and Anti-Corruption Policy

Purpose

The purpose of this Anti-Bribery and Anti-Corruption Policy (the "Policy") is to reiterate the commitment of STRACON Group Holding Inc. (the "Company") and its subsidiaries (collectively, "STRACON"), and of STRACON's directors, officers, employees, consultants, contractors and agents, to comply fully with Canada's Corruption of Foreign Public Officials Act ("CFPOA"), the U.S. Foreign Corrupt Practices Act ("FCPA"), and the anti-bribery and anti-corruption laws of other countries in which STRACON does or intends to do business. Violations of these laws may result in serious enforcement proceedings, including criminal charges, against STRACON and the individuals involved.

Application

This Policy is applicable to STRACON's directors, officers, employees (permanent and temporary), contractors, consultants and agents (collectively, "STRACON Personnel").

STRACON also expects its business associates, partners, suppliers and other Third Parties to adhere to the standards set out in this Policy whenever they act for or on behalf of STRACON.

1.0 Bribes, Kickbacks or Other Corrupt Payments

1.1 Definitions

- "Bribery" can generally be described as the offer or receipt of any payment, gift, excessive entertainment, fee, or other advantage or consideration to or from any person as an inducement to do something, to refrain from doing something, or to influence a decision.
- "Corruption" is the misuse of public power for private profit, or the misuse of entrusted power for private gain.
- "Facilitation Payments" are payments of small amounts made to secure or expedite the performance of routine non-discretionary government action by clerical-level government officials, for example obtaining routine permits, processing visas, or expediting shipments through customs, assuming all legal requirements for obtaining these have been satisfied.
- A "kickback" is a particular kind of bribe. It is the unethical or illegal return of part of a payment already made as part of a legitimate business transaction.
- "Third Party" means a representative, consultant, broker, contractor, supplier or any other intermediary or agent acting on behalf of STRACON.

- "Foreign Public Official" means (a) any officer or employee of a foreign government or any department, agency or instrumentality thereof, including an officer or employee of a state-owned or state-controlled entity where that entity constitutes a governmental instrumentality under applicable law; (b) a person who holds a legislative, administrative or judicial position of a foreign state; (c) a person who performs public duties or functions for a foreign state, including a person employed by a board, commission, corporation or other body or authority established to perform a duty or function on behalf of the foreign state, or who is performing such a duty or function; or (d) an official or agent of a public international organization formed by two or more states or governments, or by two or more such public international organizations.

1.2 Improper Payment Activity

STRACON Personnel are strictly prohibited from paying, offering, giving, soliciting, promising, receiving or authorizing:

- Any form of bribe, kickback or other corrupt payment, or anything of value;
- To or from any person or organization, including Foreign Public Officials, a foreign political party (or official thereof), a candidate for foreign political office, or private companies and employees of those private companies;
- Directly or indirectly through or to a Third Party; and
- For the purpose of causing a person to act or fail to act in violation of a legal duty, causing a person to abuse or misuse their position, or securing an improper advantage, contract or concession.

1.3 Reasonable Expenditures (Hospitality)

STRACON may pay or reimburse reasonable and bona fide travel and lodging expenses for a person, including a Foreign Public Official, only if the expenses are directly related to the promotion, demonstration or explanation of STRACON's products or services, or to STRACON's execution or performance of a contract with the relevant organization or agency; are not intended to influence any person improperly; are reasonable and proportionate; comply with applicable law; are accurately documented in STRACON's books and records; and receive any prior approval required under STRACON's procedures.

1.4 Third Parties

This Policy prohibits corrupt offers, promises and payments made through Third Parties. Therefore, it is important to conduct due diligence on such partners or agents and not disregard or ignore facts that indicate a probability that a corrupt payment may occur. The purpose of due diligence is to ensure, to the extent possible, that STRACON retains only reputable and honest Third Parties. In addition, contracts with Third Parties should, to the extent possible, include provisions to mitigate the risk of potential illicit payments.

Third Party due diligence should be risk-based, appropriately documented and refreshed when circumstances warrant. STRACON should not engage or continue to engage a Third Party where material integrity concerns have not been satisfactorily resolved.

1.5 Facilitation Payments

STRACON prohibits Facilitation Payments without exception, regardless of whether they may be permitted under the laws of any particular jurisdiction.

1.6 Records and Books

All transactions and expenditures must be accurately, completely and fairly recorded in STRACON's books and records in reasonable detail. No undisclosed or unrecorded account, fund, asset or transaction may be established or maintained. No person may create, use or approve any false, misleading, incomplete or inadequately identified record, document, invoice, expense claim or accounting entry, or intentionally destroy accounting books and records earlier than permitted by applicable law or STRACON's records-retention requirements. STRACON shall maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are executed, and access to assets is permitted, only in accordance with appropriate authorization and this Policy; that transactions are recorded as necessary to permit preparation of financial statements in conformity with applicable accounting principles and to maintain accountability for assets.

2.0 No Waiver

There is no permitted deviation or waiver from this Policy.

3.0 Handling of Reported Violations and Disciplinary Actions

3.1 Reporting

If you reasonably believe that a violation of this Policy has occurred or may occur, you should immediately contact your supervisor or the Corporate Secretary of the Company, or the General Counsel within the Company's Peruvian branch, and refrain from attempting to personally conduct investigations or interviews. If notice is given to a supervisor, the supervisor must immediately notify the Corporate Secretary or the General Counsel.

STRACON will not tolerate retaliation, or any threat of retaliation, against any person who in good faith reports an actual or suspected violation of this Policy or who assists with an investigation. Retaliation includes discrimination, intimidation, harassment and reprisals and will itself be treated as a serious disciplinary offence.

3.2 Investigation

The Corporate Secretary and the General Counsel will investigate all reports received and will treat all information confidentially.

3.3 Disciplinary Action

If it is determined that a violation of this Policy has occurred, disciplinary action will be taken. Depending on the nature and severity of the violation, such action may include termination of employment or contract. Certain violations may also require STRACON to refer the matter to criminal or civil authorities for investigation or prosecution.

Any STRACON Personnel who misleads, obstructs or otherwise hinders an investigation may also be subject to disciplinary action. A Third Party that violates this Policy, knowingly fails to report a potential violation, or misleads or hinders investigators may have its engagement re-evaluated, suspended or terminated.

3.4 Responsibility to Report

Any STRACON Personnel who directs or approves conduct in violation of this Policy, or who has knowledge of such conduct and does not promptly report it, is also subject to disciplinary action, up to and including termination of employment or contract.

4.0 Administration and Interpretation

4.1 Policy Modifications

This Policy is subject to ongoing review and evaluation, and modifications will be made as deemed necessary to respond to the circumstances and evolving needs of STRACON. You are responsible for regularly reviewing its terms and conditions.

4.2 Administration and Interpretation

STRACON's Corporate Secretary is responsible for the administration and interpretation of this Policy. All questions regarding this Policy are to be referred to the Corporate Secretary.

5.0 Interaction with Other Corporate Policies

This Policy supplements STRACON's Code of Business Conduct & Ethics and other STRACON policies applicable to STRACON's operations worldwide.

6.0 References

For reference:

- The CFPOA: https://laws-lois.justice.gc.ca/eng/acts/C-45.2/
- The FCPA: https://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act

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