



Anti-Corruption Policy

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Snap Trends (“Snap Trends”) is committed to complying with the Foreign Corrupt Practices Act (“FCPA”) and the laws of other countries that prohibit inappropriate payments to obtain a business or competitive advantage. This Anti-Corruption Policy is designed to provide any division, department, subsidiary, stockholder, executive, employee, contractor, advisor, agent, consultant, reseller, channel partner, or other stakeholder involved in Snap Trends’ international business activities an overview of the FCPA so that they will avoid violations and prevent potential issues in time for them to be fully addressed.

The executives and employees of Snap Trends are committed to comply with the anti- corruption laws of all countries and territories in which they market, sell or operate products.

The Ethics Policy requires our executives and employees to adhere to all applicable laws and to record all transactions accurately in our books and records. The Gifts & Entertainment Policy, Political Activities Policy, International Operations Policy, Export Assurance Policy and Compliance Policy address related topics.

Policy Overview

Ethics Policy

The policy of Snap Trends is to follow all government laws, rules, and regulations applicable to its business. Snap Trends is committed to maintaining integrity in its practices and recognizes that local traditions and customs differ from place to place. Snap Trends strives to honor all customs while maintaining an honest business relationship with its global partners and customers.

Snap Trends expects compliance with its standard of integrity from all employees throughout the organization. Snap Trends does not tolerate employees who violate the law or who act immorally to achieve results. Snap Trends’ executives support any employee who passes up an opportunity or advantage that would sacrifice ethical standards.

This policy also ensures responsibility in making full, fair, accurate, and timely disclosure in reports and documents filed, including public communications. All employees are accountable for reporting material information known to executives responsible for making disclosure decisions.

Gifts & Entertainment Policy

Snap Trends bases commercial decisions on commercial criteria. This policy supports Snap Trends Inc.’s business interests and builds meaningful relationships with organizations and individuals doing business, or interested in doing business, with Snap Trends. In some cultures, growing relationships



may include related business gifts and entertainment. Executives and employees providing or receiving third-party gifts and entertainment in their corporate capacities are expected to exercise good judgment in each case, taking into account pertinent circumstances, including the character of the gift or entertainment; its purpose; its appearance; the positions of the persons providing or receiving the gift or entertainment; the business context; reciprocity; and applicable laws and social norms. All expenditures for gifts and entertainment provided by the corporation must be accurately recorded in the books and records.

Political Activities Policy

Snap Trends policy does not allow the company to make contributions to political candidates and political parties, except as permitted by applicable laws and authorized by the Board of Directors. Executives and employees engaging in political activities are expected to do so as private citizens and not as representatives of Snap Trends. Personal, lawful, and political contributions or decisions will not influence compensation, job security, or opportunities for advancement within the company.

International Operations Policy

It is the policy of Snap Trends to follow all governmental laws, rules, and regulations applicable to its operations outside the United States and to conduct those operations to the highest ethical standards. Laws that apply to operations outside of the United States include those of the countries where the operations occur.

Export Assurance Policy

Snap Trends provides software that is subject to the export laws and regulations of the U.S. government and other countries. Because of these regulations, delivery of this software can only occur once the company has determined its ability to export to each international market. Customers must agree not to transfer, export or re-export any of Snap Trends products to Banned territories as determined by the U.S. Department of Commerce. Banned territories currently include Cuba, Iran, North Korea, Sudan, Syria and other countries that may have restrictions under pertinent U.S. laws and regulations.

Compliance Policy

Responsibility for overseeing compliance with law and policy rests on the company's executives and ultimately the Board of Directors. Snap Trends encourages employees and others to report violations through various channels without fear of retaliation. Violations of law and indifference to legal requirements are not tolerated at any level by Snap Trends.



Overview

Purpose of Overview

Snap Trends commits to comply with the FCPA and country specific laws that prohibit inappropriate payments in return for business advantages. Considering that the FCPA is filled with nuances and subtleties, the following information is designed to provide stockholders, executives, employees, contractors, agents, consultants, reseller, channel partners and other stakeholders involved with Snap Trends' international business activities a general familiarity with FCPA to avoid violations of the policy.

Anti-Bribery Prohibitions

The FCPA is a U.S. criminal statute that prohibits inappropriate transactions between U.S. officials and non-U.S. officials to influence business decisions. Specifically, the FCPA's anti-bribery provisions prohibit giving, paying, promising, offering, or authorizing the payment of anything of value, directly or indirectly through a third party, to any "foreign official" to obtain business security or advantage.

Accounting and Recordkeeping Requirements

The FCPA also requires U.S. companies and their majority owned affiliates to maintain adequate internal controls. The FCPA thus requires accurate and complete records of the transactions in which companies engage.

Jurisdiction

The FCPA applies to any U.S. person or business entity and is regulated by the U.S. Securities and Exchange Commission ("SEC"). U.S. individuals associated with non-U.S. companies are subject to the FCPA even if the non-U.S. corporation is not subject to the FCPA.



Penalties and Enforcement

The U.S. Department of Justice and the SEC on both a civil and criminal level enforce the FCPA. Violations of the FCPA result in high penalties, with fines of up to \$1,000,000 per violation and/or imprisonment of up to 10 years. The company cannot cover these fines. Additionally, the maximum fine for the corporation is \$2,500,000 per violation.

Even if the FCPA violation does not occur, if a company is indicted for violating the FCPA, it can face severe backlash in the form of high-level investigations and sanctions.

Elements of The FCPA

The FCPA prohibits every U.S. company and the company's members from providing, promising or offering anything of value (which includes gifts, entertainment, business activities, or covering or reimbursing expenses) to any foreign official to convince the official to return the favor to the U.S. company by giving them a business advantage. Even if the foreign official that suggests the payment is not associated with a foreign country's government, or does not directly promise a business advantage, the FCPA still prohibits these payments.

"Foreign Official" is a very broad term. It applies to any employee (or person acting on behalf) of any non-U.S. government or any agencies within this foreign country. The term also applies to officials associated with any public international organization. Under the FCPA, the current list of public international organizations includes the United Nations, the World Bank, the International Monetary Fund, the International Red Cross, and the World Trade Organization (amongst others).

Issues

Businesses With Non-US Officials And Government Entitles

The FCPA does not block business with non-U.S. officials, but it does contend that the business operations must be done in an open and transparent manner. There is also so much grey room as to what transparency means. For example, granting a business contract to a foreign official on extremely favorable terms could be viewed as a gift prohibited under the FCPA. Paying a fee for services, hiring a consultant or representative, entering into a joint venture contract, or entering into a contract for goods and services could also be seen as a violation of the FCPA because it involves the trade of something of value.

The FCPA purposely permits business with non- U.S. governments or their subsidiaries. While official contracts with these foreign governments are preferable, these business dealings and transactions are allowed.



Traveling And Lodging

While the FCPA does prohibit certain marketing activities, the policy is not aggressive in its scope. For example, the FCPA allows a company to make expenses if those expenses are reasonable, as they would be in the form of transportation, lodging, and meals.

Gifts, Meals, And Entertainment

In addition to the transportation, lodging and meals that are permitted within the FCPA, certain customary gifts are also permitted. If the business transaction is occurring during a holiday, for example, then customary gifts for that holiday are acceptable. Thus, the important aspect of the gift is the intent under which it is given.

Local Law

The FCPA is a U.S. statute. Even if there are specific local laws within a host country that permit the trading of items of value, the FCPA supersedes those local laws. Snap Trends complies with the FCPA under all circumstances.

Potential Liability

Introduction

The previous section covered key FCPA issues. Other FCPA issues that concern potential liability for acts of others often emerge and deserve particular attention by Snap Trends employees. Those issues are explained and addressed in this section. The Snap Trends' Channel Partner and Reseller Compliance Agreement contain guidance on assessing risk and conducting FCPA compliance with prospective business associates. Snap Trends' Legal Counsel is prepared to advise in this area.

Explanation of Legal Risks

Snap Trends and individual employees may be liable for payments made by a third party— such as a consultant, contractor or channel partner – of anything of value to any non-U.S. official, even if the person making the payment is not subject to the FCPA and even if the Snap Trends officer or employee did not actually know the payment would be made.

One example would be in the case of a Snap Trends employee making or allowing a payment to a third party; the FCPA may impose liability on Snap Trends and the employee solely based on the employee's awareness of facts that indicate a solid certainty or even high probability that the third party will pass through all or part of the payment to a non-U.S. official for an improper purpose. Also, enforcement



authorities may interpret the FCPA in some cases to cover payments made to third parties that are aimed to reimburse them for past, improper payments to non-U.S. officials.

Warning Signs

According to the U.S. Department of Justice, circumstances that may suggest a reason to know of an illegal payment by an emissary (and therefore a potential FCPA violation), are sometimes referred to as “warning signs.” When these signs are present in a transaction, it hints at a need for increased examination and implementation of certain safeguards against a potential violation. An “I don’t want to know” attitude or a “turn the other way” mentality can be the basis of liability for those involved. Warning signs that require deeper review when working with a third party are diverse. Listed below are common examples of warning signs:

- The transaction involves a country known for corrupt payments;
- A reference check reveals a third party’s questionable background or reputation;
- The third party is suggested or recommended by a non-U.S. official, especially one with unrestricted authority over the concerning business;
- The third party objects to FCPA representations and warranties in agreements with Snap Trends;
- The third party has a close personal, familial or business relationship with a non- U.S. official or relative of an official;
- The third party requests unusual contract terms or payment arrangements; Examples include payment in cash, payment in another country’s currency, or payment in a third country;
- The only qualification the third party brings to the business deal is real or supposed influence over non-U.S. officials;
- The third party insists that his or her identity or the identity of the company’s owners, directors, or employee if the third party is a company, not be disclosed; or
- The third party’s commission or fee surpasses the going rate.

Channel Partner And Reseller Compliance

Choosing business associates carefully is the most important step that can be taken to reduce risk of improper payments by others and to identify in advance any potential FCPA issues from that proposed relationship. Therefore, Snap Trends has a Channel Partner and Reseller Compliance Program to assess and filter prospective business relationships with intermediaries who will have dealings with non- U.S. officials on Snap Trends’ behalf, particularly

when said intermediaries are not well known to Snap Trends. Channel Partner and Reseller Compliance provides executives with guidance for carrying out the transaction in the good-faith belief that the intermediary will not make any improper payments while conducting Snap Trends’ business.



Accordingly, the country and the intermediary can be investigated while any issues raised can be addressed to the satisfaction of Snap Trends management before engaging in the relationship. The amount of time and effort required for Channel Partner and Reseller Compliance will vary depending on the quantity and complexity of the issues raised during the investigation.

FCPA Representations And Warranties

Requiring consultants, contractors and channel partners to make strong FCPA compliance representations and warranties in contracts is an effective measure to ensure that they are aware of Snap Trends' requirements and have agreed to comply. Other FCPA tools and protections, like annual compliance certifications, are ready for consideration as well. Legal Counsel is able to offer support on appropriate provisions in contracts with prospective business associates and other FCPA safeguards.

Criteria For Interactions With Non-US Officials

The following basic criteria must be met regarding all gifts, entertainment, and hosting of and payment to any non-U.S. official:

- Abide by local customs and laws as they are locally read and acted upon;
- Observe the U.K. Law on Bribery and Corruption and the FCPA along with any other applicable laws;
- Correctly endorse, authorize, and publish in accordance with Snap Trends' Guidelines for Interactions with Non-U.S. Officials;
- Be meticulous and complete with recording in Snap Trends' books and records; and
- Be as clear and forthcoming as possible.



Reporting

Snap Trends representatives and stakeholders may report concerns with conduct covered by this Policy to the Vice President – General Counsel through the following alternatives:

Telephone: 512 716 8412

Fax: 512 233 0583

Email: legal@snaptrends.com

Mail or Overnight Delivery:

Director of Legal Compliance

Snap Trends

7300 FM 2222 Building III, Suite 250 Austin, Texas 78730

This Policy was last updated in August 2015. Snap Trends may find it necessary to change this policy from time to time. Please periodically review this policy for any changes or updates.

