

ANTI-CORRUPTION POLICY OF THE JOINT-STOCK COMPANY "SKINEST RAIL"

1. GENERAL PROVISIONS

1.1. This Anti-Corruption Policy (hereinafter referred to as the "Policy") is the fundamental document of AS "SKINEST RAIL" (hereinafter referred to as the "Company"), defining key principles and requirements aimed at preventing corruption and ensuring compliance with the laws of the Republic of Estonia and internationally recognized principles and norms of international anti-corruption law, as enshrined, among others, in the United Nations Convention against Corruption and the Council of Europe Criminal Law Convention on Corruption (hereinafter referred to as "anti-corruption legislation").

1.2. This Policy takes into account that in international law and the legislation of various countries, "corruption," "corrupt acts," and "corrupt activities" generally refer to bribery, receiving bribes, or mediating bribery by an official and/or a representative of a private sector organization.

1.3. The Policy is designed to confirm the Company's and its shareholders', management bodies', and employees' commitment to international ethical standards and principles of transparent and honest business conduct, as well as to improve corporate culture, adhere to best corporate governance practices, and maintain the Company's business reputation at an appropriate level.

1.4. The Company aims to:

- Minimize the risk of involvement of the Company, its shareholders, members of the Board and Management, and employees (hereinafter collectively referred to as "Employees") in corruption offenses.
- Ensure the Company's compliance with Estonian law and international anti-corruption legislation, as well as business ethics standards.
- Form a uniform understanding among Employees, counterparties, and other parties regarding the Company's policy of rejecting corruption in any form.
- Summarize and explain key legislative requirements.
- Establish Employees' obligation to be aware of and comply with the principles and requirements of this Policy, key legal norms, and adequate anti-corruption procedures.

1.5. The Company declares zero tolerance for corruption in any form and expects its Employees to adhere to this Policy's principles and requirements.

1.6. If amendments to Estonian laws and regulations contradict specific provisions of this Policy, those provisions shall not apply. The Company will organize necessary amendments to the Policy and related anti-corruption procedures in case of legislative changes or identification of ineffective provisions.

2. SCOPE AND RESPONSIBILITIES

2.1. All Employees of the Company must adhere to this Policy and strictly follow its principles and requirements.

2.2. The Company's Management Board is responsible for organizing all activities to implement the principles and requirements of this Policy, including appointing persons responsible for developing, implementing, and monitoring anti-corruption procedures.

2.3. The principles and requirements of this Policy apply to counterparties, representatives, and Employees of the Company, as well as to other parties, when such obligations are stipulated in contracts, internal documents, or directly derive from the law.

3. LEGISLATIVE PROVISIONS

3.1. As of January 1, 2015, the Estonian Penal Code (hereinafter referred to as the "Code") includes both bribery and illicit gratuities. Bribery is broadly defined to include offering, promising, or giving a bribe to an official (Article 298 of the Code). The legal definition of a bribe is outlined in Article 294 of the Code and refers to an official's acceptance of property or other benefits in exchange for using their official position.

3.2. Bribery includes offering or giving a bribe to an official or a third party in exchange for the official's use of their position.

3.3. The crime of "bribery or accepting a bribe" does not require a detailed agreement on the specific actions of the official. It is sufficient that the official understands what actions (or inactions) they may be rewarded for, even if they do not ultimately complete the planned actions.

3.4. The law does not distinguish between small and large bribes; even the promise of a bribe, regardless of amount or form, constitutes a criminal offense.

3.5. The Code criminalizes bribery with penalties including fines or imprisonment for up to five years. If the act is committed repeatedly, by a group, or involves a large amount, imprisonment can range from one to ten years.

3.6. Employees are strictly prohibited from offering, giving, promising, or participating in the transfer of bribes in any form, including money, valuables, services, or other benefits, to any officials, including foreign officials and employees of private sector organizations.

4. KEY PRINCIPLES

4.1. Company Leadership's Mission

- Shareholders, Board members, Management, and heads of structural units must set an ethical standard of zero tolerance for corruption, setting an example through their conduct.
- The Company enforces a "zero tolerance" policy towards corruption at all levels of its operations.
- Ensuring the adoption, implementation, and strict adherence to this Policy across all subsidiaries.

4.2. Periodic Risk Assessment

- The Company periodically identifies, evaluates, and assesses corruption risks associated with its activities.

4.3. Adequate Anti-Corruption Procedures

- The Company develops and implements adequate anti-corruption procedures to mitigate identified risks and ensures their compliance.

4.4. Counterparty Due Diligence

- The Company conducts reasonable efforts to minimize business relationships with parties involved in corruption, verifying their adherence to anti-bribery policies.

4.5. Monitoring and Control

- The Company continuously monitors and controls its anti-corruption procedures, adjusting them when necessary.

5. GIFTS

5.1. Employees may only give or receive gifts if they:

- Are directly related to the Company's lawful activities.
- Are reasonable and proportionate.
- Do not constitute a hidden reward or attempt to influence a recipient illegally.
- Do not pose a reputational risk.
- Have a value not exceeding 80 EUR unless prior written approval from the Management Board is obtained.

5.2. Monetary gifts, including cash and cash equivalents (e.g., gift vouchers), are strictly prohibited.

6. CHARITABLE CONTRIBUTIONS AND SPONSORSHIP

- The Company may engage in charitable activities but not for commercial advantage.

7. POLITICAL ACTIVITIES

- The Company does not finance political parties or movements for commercial advantage.

8. INTERACTIONS WITH OFFICIALS

- The Company does not cover expenses for officials or their relatives to gain commercial benefits.

9. INTERACTIONS WITH EMPLOYEES

- Employees are required to follow this Policy and report corruption cases.

10. REPORTING VIOLATIONS

- Employees or other parties should report any suspected corruption to the Company's Management.

11. AUDIT AND COMPLIANCE

- The Company conducts regular external audits to ensure compliance.

12. LIABILITY

- Employees, shareholders, and management are liable under Estonian law for violating this Policy.

This Policy affirms the Company's commitment to high ethical standards and zero tolerance for corruption in all its business activities.