

Bribery & Anti-Corruption Policy



January 2023

Message from the Chief Executive Officer of Solaxy Group Corp.

Today, I introduce and emphasize our **Bribery & Anti-Corruption Policy**, a fundamental testament to Solaxy Group Corp.'s unwavering commitment to ethical business practices and transparent operations.

Around the world, corruption and bribery are not only legal pitfalls but also erode the foundations of trust that businesses rely upon. Being a global leader in our industry, it is paramount that we set the gold standard, demonstrating that success can be achieved with integrity and without resorting to unethical means.

Our **Bribery & Anti-Corruption Policy** provides a clear guideline on our stance against any form of bribery and corruption. It delineates the actions and behaviors expected of every member of our organization, ensuring that our business interactions, whether they're with partners, suppliers, or government officials, are conducted with the utmost transparency and honesty.



I urge each of you to thoroughly familiarize yourselves with this policy and to embody its principles in every action and decision you make on behalf of Solaxy Group Corp. If ever you find yourselves in situations that seem to blur the lines of this policy or raise ethical questions, I encourage open communication. We are here to support and guide each other in upholding our commitment to clean, transparent business.

By strictly adhering to our **Bribery & Anti-Corruption Policy**, we safeguard Solaxy Group Corp. from potential legal complications and, more importantly, solidify our reputation as a trustworthy and principled business entity.

Thank you for your dedication to preserving the integrity and reputation of Solaxy Group Corp. With your commitment, I am confident that our name will remain a beacon of ethical business practices and leadership in the industry.

With sincere regards,

Abbas Mashaollah

Abbas Mashaollah
Chief Executive Officer
Solaxy Group Corp.

The Company is committed to carrying out its business fairly, honestly and openly. It is Company policy to observe the highest standards of ethical conduct and to comply fully with all applicable laws and regulations, including anti-bribery legislation such as the U.S. Foreign Corrupt Practices Act (“FCPA”), in every jurisdiction in which it does business.

INTRODUCTION

This Policy is integrated into Solaxy Group Corp.'s Code of Business Conduct and Ethics (the "Code") and is applicable to Solaxy Group Corp., its entire workforce, board members, officers, including but not limited to its Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer or Controller. It also extends to agents and individuals with similar roles. This includes, for clarity, any workforce members, officers, or directors of Solaxy Group Corp.'s management entity, wherever they are situated.

Solaxy Group Corp. strives to collaborate with third-party entities that uphold principles mirroring our high standards. We will not hesitate to conclude agreements with entities that, in our opinion, do not meet our standards or their contractual commitments. The term "Third Parties" encompasses agents, brokers, partners, consultants, contractors, joint venture collaborators, and other representatives when they are offering services or conducting business in the interest of Solaxy Group Corp., be they individuals or organizations.

Solaxy Group Corp. unequivocally rejects all forms of bribery and corruption, whether they occur in the private or public domain. Adhering to anti-bribery regulations is the continual responsibility of every individual within the corporation. No member of Solaxy Group Corp. is authorized to partake in activities that contradict the policies outlined in this Policy or to endorse, direct, sanction, or overlook any such activities by other members. It is imperative that all members fully comprehend the stipulations and prohibitions of anti-bribery laws to ensure Solaxy Group Corp.'s unwavering compliance.

If you have any questions or concerns about this Policy, its requirements, or the way it is being applied or applies or anti-bribery legislation generally, please contact the Legal Department by fax at **408-610-4700**, by e-mail at legal@solaxygroup.com

Any Employee who has knowledge or reason to suspect or believe that there has been, or will be, a violation of this Policy, the Code or any other applicable Company policy or regulation, is required to report such information to our Independent Legal Consultant at **408-610-4700** or by email at legal@solaxygroup.com immediately.

"Knowledge" is not limited to actual knowledge of a particular fact, circumstance or event. Rather, a person is deemed to "know" about an improper payment or other violation of anti-bribery legislation if he or she is merely aware of a probability of its existence.

Willful blindness, deliberately insulating yourself from or consciously disregarding suspicious actions or circumstances, is strictly forbidden by this Policy.

ZERO TOLERANCE ON RETALIATION

At Solaxy Group Corp., we firmly uphold that voicing concerns is always the right course of action.

No member of Solaxy Group Corp. will face any backlash or adverse employment consequences for having genuinely reported any concerns or irregularities. We commit to treating every report with utmost confidentiality, in line with legal allowances, and assure members that they can raise concerns without revealing their identity.

Any retribution or retaliatory measures will be regarded as severe misconduct. If proven, these acts will lead to disciplinary measures, potentially culminating in the immediate termination of the perpetrator's association with Solaxy Group Corp.

If an Employee thinks that he/she or someone they know has suffered retaliation, please contact our Independent Legal Consultant at 408-610-4700 or by email at legal@solaxygroup.com. This can be done on an anonymous basis if you wish to do so.

DISSEMINATION

Solaxy Group Corp. will provide a copy of this Policy to every new member joining our team, ensuring its alignment with our Code of Conduct from the onset of their association with us. Additionally, this Policy will be accessible on the Solaxy Group Corp. website, emphasizing our expectations and commitment to ethical practices for our partners, suppliers, and contractors.

ANTI-BRIBERY

Solaxy Group Corp. adheres to strict anti-bribery legislation that prohibits any Employee or Third Party from engaging in bribery.

A “Bribe” within the context of Solaxy Group Corp. is defined as:

- a) Offering, promising, or giving anything of value with the intent to inappropriately sway another, with the aim of securing or retaining business for Solaxy Group Corp. or to procure an undue advantage for an individual; or
- b) Soliciting or accepting anything of value as a reward or incentive to act inappropriately concerning Solaxy Group Corp.'s business pursuits.

It's essential to understand that there is no monetary limit that constitutes a Bribe. The term “anything of value” encompasses both tangible and intangible benefits, including but not limited to gifts, stock options, contractual rights, property, exclusive product or service discounts, loan offers, meals, entertainment experiences, travel accommodations, political contributions, charitable donations, and advantages stemming from business affiliations.

The mere act of offering a Bribe, irrespective of its success or completion, is strictly against Solaxy Group Corp.'s principles and values.

ENFORCEMENT AND PENALTIES

Solaxy Group Corp. is committed to upholding the highest standards in compliance with anti-bribery laws and regulations.

The U.S. Department of Justice (“DOJ”) and the Securities and Exchange Commission (“SEC”) are responsible for enforcing the FCPA. Violations could lead to severe repercussions, including injunctions, criminal fines, or civil penalties imposed on both the individual offenders and Solaxy Group Corp. Additionally, the company's rights to conduct business with certain government entities could be suspended or revoked. In cases of “willful” violations, the penalties could be significantly more stringent. It's essential to note that Solaxy Group Corp. will not cover or reimburse any criminal penalties imposed on an Employee. We advise all Employees to stay updated by regularly checking the DOJ website for any changes or updates.

Violations of the Bribery Act are met with strict consequences. An Employee could face several years of imprisonment, disqualification from directorial roles, and substantial financial penalties. Solaxy Group Corp. will not bear the cost of any such fines. Moreover, Solaxy Group Corp. itself might be subjected to substantial fines, lose trading rights in specific regions, face litigation from competitors, and confront other legal challenges.

The Company accordingly has a zero tolerance policy with regard to any actual or attempted act of corruption or Bribery (to include facilitation payments). A breach of this Policy will result in disciplinary action, which may include immediate termination of the Employee's employment. Where a case is referred to a law enforcement agency, the Company will cooperate fully with the criminal investigation which could lead to Employees being prosecuted and/or penalties being imposed on them.

PRIMARY AREAS OF RISK

Given the serious implications of Bribery or corruption infringements, it's crucial that all Employees of Solaxy Group Corp. remain vigilant and recognize the "red flags" indicative of potential violations. These "red flags" can encompass:

- Commissions or bonus payments that seem inflated or abnormally large.
- Requests for unexplained or large cash payments or payments in bearer instruments.
- Payment directives through a third party or to accounts in offshore or unrelated third countries.
- Instructions to make payments to unidentified third parties, split among various accounts, or make payments to accounts that don't align with the location of the Third Party or where the business activity is taking place, or any other unconventional financial arrangements.
- Encountering falsified invoices or being billed excessively for services related to Solaxy Group Corp.
- Obscure expenses and accounting records.
- Third Parties boasting about their connections with Public Officials as their primary qualification.
- Apparent deficiency of qualifications or resources by a Third Party to provide the services they offer.
- Overreliance by a Third Party on political or governmental connections instead of their technical expertise or dedicated effort.
- Hesitation or outright refusal by a third party to enter a written agreement that includes declarations and assurances to comply with anti-bribery regulations, or their reluctance to provide a clear account for the expenditure of funds from Solaxy Group Corp. allocated to them.
- Insufficient supervision over subsidiaries and personnel in any jurisdiction.
- A country's known history or trend of corruption.
- Recommendations by a Public Official to employ a specific third party.
- Discovering during reference checks that a potential third party has a dubious reputation, a criminal background, or is not reputable in their field.
- Repeatedly hiring a third party for business without a logical reason for such continual engagement.

There might be other behaviors that act as "red flags," and you must always be observant of actions that might be suspicious. If you're uncertain about any activities that might be considered a "red flag," kindly reach out to the Legal Department of Solaxy Group Corp. at 408-610-4700 or by email at legal@solaxygroup.com.

DEALINGS WITH PUBLIC OFFICIALS

In the context of anti-corruption and anti-bribery regulations, the term "Public Official" encompasses:

- a) Any representative, employee, or agent of a government, department, or agency.
- b) Representatives, employees, or agents of a state-owned or controlled establishment, business, or institution (e.g., a physician in a state-run hospital).
- c) Any political party or its members.
- d) Any official associated with a political party.
- e) Individuals running for political office.
- f) Employees or agents of globally recognized organizations (like the Red Cross, United Nations, or World Bank).
- g) Individuals acting on behalf of any of these officials.
- h) Individuals holding a legislative, administrative, or judicial role, whether they're appointed or elected.
- i) Any individual performing a public duty or function.

It's imperative that Solaxy Group Corp.'s Employees or any Third Party representing our interests never propose, authorize, or conduct any inappropriate payments to, or bestow any unauthorized advantages upon, a Public Official in any nation, either directly or indirectly, with the intent to secure, maintain, or redirect business towards any entity.

All interactions with Public Officials, regardless of the country, must be established, overseen, and reviewed with special consideration to this Policy. It's of utmost importance to consistently ensure that the actions of our Employees don't even inadvertently suggest any form of wrongdoing.

GIFTS, HOSPITALITY, AND TRAVEL EXPENSES

At Solaxy Group Corp., we firmly believe that every decision should be made on its merit. As such, it's never appropriate to try and sway a decision by offering personal perks to a Public Official or any other individual. Employees are strictly prohibited from giving or receiving bribes or kickbacks, or accepting anything that might suggest their ability to make unbiased decisions in the best interests of Solaxy Group Corp. is compromised. We are steadfast in our commitment to avoid any activities that could even hint at impropriety in our business dealings.

While the company acknowledges the role of gifts and entertainment in building business relationships, Employees and Third Parties are allowed to cover business expenses or offer gifts on Solaxy Group Corp.'s behalf only if they are reasonable, lawful, customary, infrequent, and not extravagant. Moreover, such actions should align with Solaxy Group Corp.'s policies and guidelines, including this Policy. And, crucially, any such expenses or gifts must be pre-approved as per the company's protocols.

The table below delineates our approval and documentation processes. As indicated, it's essential to obtain the necessary management approvals, and when needed, green lights from the Legal Department before offering or accepting any gifts or entertainment. This also applies when covering any 'hosting expenses' for Public Officials or state-affiliated delegations. Additionally, it's mandatory to log all gifts and entertainment you give or receive in the Solaxy Group Corp. Gifts and Entertainment Register, overseen by our Legal Department. For further details or to make an entry, please reach out to the Legal Department at **408-610-4700** or by email at legal@solaxygroup.com.

| Gift Value | Entertainment (including meals) value* | Approval Requirements | Recording Requirements |
|--------------------|--|---|--|
| ≤\$50 | ≤ \$150 | No pre-approval required | No recording Requirement |
| > \$50 and ≤ \$250 | > \$150 and ≤ \$1,000 | Supervisor approval required. Directors may self-approve | Must be recorded in the Gifts and Entertainment Register |
| > \$250 | > \$1,000 | Supervisor and Legal Department approval required. Directors may self-approve | Must be recorded in the Gifts and Entertainment Register |

In addition to the requirements above, the following requirements apply when exchanging gifts and entertainment with Public Officials:

- Obtain Legal Department advice before offering, giving or receiving any gift or entertainment with a Public Official
- Obtain Legal Department approval before offering or paying for the hosting expenses of a Public Officials.
- All gifts and entertainment offered or given to or received from Public Officials must be recorded regardless of value.

When using this chart, consider the following.

- For meals/entertainment you give to others: Use the total value of meals/entertainment that you give to a third-party organization at a single event. For example, if you entertain multiple people from the same organization at a specific event, the value is the total amount you spend for the total number of guests' entertainment.
- For meals/entertainment you receive from others: Include only the value of the meal/entertainment you personally receive (including the value of meals/entertainment that your spouse or other non-Company employed family member receives).

In all cases, the payment of such business expenses and the giving or receiving of gifts should be directly related to the promotion of the Company's business and free from the purpose, effect or appearance of causing the recipient to do business with the Company, abusing his/her position or to create a feeling of obligation, or compromise the judgment of the recipient or influence the recipient to do or not do something in favor of the Company or an Employee or Third Party.

Employees must immediately return any gift of cash or cash equivalent that you receive from a third party and notify the Legal Department that this has happened.

Employees should contact the Legal Department if there is any question, uncertainty or concern regarding whether:

- a) the business expense or gift is reasonable;
- b) the business expense or gift is legal in the relevant country;
- c) the business expense or gift is customary;
- d) refusing or returning a gift or refusing entertainment may be impractical, insulting, or harmful;
- e) the business expense or gift is permitted under the Code or this Policy;
- f) any other question or concern arises which may require pre-approval.
- g) Any activity which the Employee or Third Party could reasonably be expected to know is not permitted under the rules of the recipient's employer, or the location where the recipient conducts business, shall be prohibited. In such event the Employee or Third Party should immediately disclose the concern to the Legal Department.

Payments of any kind, whether directly or indirectly, to any Public Official on behalf of the Company are strictly prohibited. Gifts of any kind, whether directly or indirectly, to any Public Official on behalf of the Company are strictly prohibited unless prior written authorization by the Legal Department has been received.

PROHIBITION ON FACILITATION PAYMENTS

Facilitation Payments refer to unauthorized payments requested by Public Officials to expedite routine governmental tasks.

At Solaxy Group Corp., all Employees are strictly forbidden from making Facilitation Payments. Exceptions are only considered if an Employee's or another person's safety or freedom is at risk, and after obtaining express written consent from the Legal Department.

ACCOUNTING STANDARDS

Anti-bribery legislations enforce rigorous accounting provisions that encompass:

- a) meticulous record-keeping of financial transactions, and
- b) stringent internal accounting controls, both of which Solaxy Group Corp. is committed to upholding.

For a detailed understanding, Employees should refer to Solaxy Group Corp.'s Code of Business Conduct and Ethics. We expect all Employees to adhere to the company's policies and procedures pertaining to the handling and recording of the company's funds and assets.

PARTNERSHIP WITH THIRD-PARTY REPRESENTATIVES

Solaxy Group Corp. prioritizes partnerships with third parties that reflect our core principles. We recognize that the company could be held accountable for any anti-bribery violations committed by Third Parties representing us.

1. All agreements with Third Parties must be documented in writing. All records, including those indicating due diligence checks and engagement confirmations, must be preserved as per the Record Retention Schedule.
2. Engaging a Third Party suspected of bribery or corruption is strictly prohibited. Conducting thorough pre-engagement evaluations is essential to ensure Solaxy Group Corp. collaborates only with reputable representatives. The responsibility of these assessments, adhering to industry benchmarks, lies with our Employees.
3. Payments by intermediaries or subcontractors that resemble facilitation payments are strictly prohibited. Employees must remain vigilant of any signs indicating potential policy violations by Third Parties. The "Primary Areas of Risk" section provides guidance on potential red flags. Any concerns regarding Third Party engagements should be immediately relayed to the Legal Department. It's always better to be safe than sorry.
4. Solaxy Group Corp. is dedicated to ensuring that our Code is recognized and respected by all external collaborators. Appropriate references will be incorporated into official communications with third parties. To promote transparency, our Code and this Policy will be accessible on Solaxy Group Corp.'s website.

1: You must never engage a Third Party to act on the Company's behalf if you know or suspect that the person may use or offer all or a portion of the payment directly or indirectly as a Bribe.

2: facilitation payments by sub-agents and sub-contractors are unacceptable and must not be made.

TRAINING, AUDITS, AND PERIODIC ASSESSMENTS

Solaxy Group Corp. is committed to continuous training of its employees and periodic reviews of its compliance protocols.

We will initiate all requisite procedures to validate consistent adherence to the Code by all our team members. Every year, an independent assessment will be conducted to gauge the alignment of Solaxy Group Corp.'s operations with the Code. The Audit Committee will be informed of the outcomes to devise necessary remedial strategies.



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