

ANTI-CORRUPTION POLICY

Purpose

Cypress Development Corp. and its subsidiaries (“the Company”) are committed to conducting business ethically, in compliance with all applicable legal and regulatory requirements, and free from corruption or bribery in dealings with government agencies and public officials.

This Anti-Corruption Policy (the “Policy”) applies to all directors, officers, and employees (collectively, “Employees”), independent contractors, third-party agents and consultants (together, “Agents”) of the Company.

We require that all our directors, officers, employees and agents conduct themselves with the highest standards of fairness, honesty, and integrity. Company Employees and Agents are further required to act in compliance with all relevant federal, provincial, and local laws and regulations as well as all Company policies. This policy addresses anti-corruption as it relates to interactions with public officials and government agencies. The Company’s broader anti-corruption policy and guidelines pertaining to non-governmental entities and individuals are outlined in our Code of Business Conduct and Ethics, which should be read in conjunction with the Anti-Corruption Policy.

Policy

The Company, its Employees, and Agents shall:



Keep and maintain impartial and fair relationships with all government agencies and public officials with whom the Company conducts business



Refrain from giving, promising, or offering to give anything of value, including money, gifts, meals, entertainment, travel, or preferential treatment, to a public official in order to obtain a business advantage or to obtain or retain business for the benefit of the Company. This applies whether an Employee or Agent uses corporate funds (through expense reimbursement or otherwise) or personal funds to provide anything of value to a public official for Company purposes



Keep accurate records, including invoices, receipts for payments made, and the purpose of such invoices and payments, for Company business conducted with government agencies or public officials



Refrain from taking any action intended to hide, conceal, or disguise that a payment or other thing of value has been given to a public official, such as failing to record a transaction in the Company's books and records or misrepresenting the purpose of an expenditure



Take affirmative steps to prevent Agents or other third parties acting for or on behalf of the Company from engaging in acts prohibited by this Policy – the Company expects its suppliers, contractors, vendors, distributors, third party agents, consultants, or individuals acting for or on behalf of the Company to comply with all applicable laws and regulations and this Policy



Avoid remaining willfully ignorant of, or turning a blind eye towards, potential improper payments made to public officials by other Employees or Agents that act on [Company's] behalf

The anti-corruption laws that apply to Company, its Employees and Agents are generally broad in their scope and application. These laws include, but are not limited to, the Canadian Corruption of Foreign Public Officials Act (“CFPOA”) and the U.S. Foreign Corrupt Practices Act (“FCPA”).

These laws make it illegal for anyone to offer, promise, give, solicit or receive – directly or indirectly – money or anything of value to or from a public official in order to influence his or her official duty to secure an improper advantage. Violations of these laws and other similar laws, in many cases, are punishable by imprisonment and fines for the individuals involved, regardless of nationality. For Cyrpress Development Corp. and its subsidiaries a violation may result in substantial fines and restrictions, greatly impacting the Company’s brand, reputation and financial position.

The Company also prohibits “facilitation payments,” which are small, unofficial payments to low-level public officials to speed up or obtain routine administrative processes, such as customs clearances, issuance of permits, or visa applications.

It is always the responsibility of the Employee and Agents to determine and know the applicable rules and prohibitions under the code of conduct of the public agencies with whom they interact, as those policies and guidelines made contain additional restrictions and/or specific requirements.

KEY CONCEPTS

Anti-corruption laws generally prohibit giving a public official “anything of value” or a “benefit of any kind” to secure an improper advantage.

What is "anything of value" or a "benefit of any kind"

Extravagant or overly frequent gifts or hospitality, including meals, entertainment, event tickets, travel or accommodation without a clear business purpose

Sponsorships and donations (such as to the “pet charity” of a public official)

Offers of employment or unpaid internships (such as to the son or daughter of a public official designed as a favor)

Contracts or business opportunities (such as an investment offered at below market value to a company controlled by a public official)

“Improper advantage” typically refers to something to which an individual or company is not properly entitled, including preferential treatment, in order to:

- Obtain, retain or renew a contract;
- Obtain licenses or regulatory approvals;
- Prevent adverse government action;
- Receive a competitor’s bid information;
- Avoid or reduce duties, taxes or fines.

A “public official” is defined by anti-corruption laws to include government and municipal employees at all levels acting in their official capacity or exercising public duties as well as, under the FCPA, political parties and candidates.

What are examples of prohibited conduct?

Giving cash as a gift to a public official in connection with the Company's business (Giving or receiving cash is always prohibited behavior and is against the Code of Business Conduct and Ethics)

Offering employment to a family member of a public official whose government agency is or may become a customer of the Company

Paying extravagant travel expenses of a public official to visit the Company facilities or attend industry events

Taking a public official out for an expensive dinner to celebrate a new contract with the Company

Authorizing a third-party consultant to seek a reduction of customs duties without asking the consultant how it plans to do so

Submitting an expense reimbursement with an inaccurate statement of the reason for the expense

Making a campaign contribution to a candidate for public office in the name of the Company or with Company funds

REPORTING PROCEDURES

Any Employee or Agent who becomes aware of a potential violation of applicable anti-corruption laws and/or this Policy should notify the Ethics Officer promptly. Any Employee or Agent who has a concern regarding any matter within the scope of the Policy may also submit, in a confidential and anonymous basis, a report outlining the nature of his or her concern

Submit a written report by mail to:

Chair of the Audit Committee
Cypress Development Corp.
P.O. Box 10427, Vancouver, BC
V7Y 1K4
(mark as "Confidential")

We attempt to foster a work environment in which ethical issues and concerns may be raised and discussed with supervisors or with others without the fear of retribution. This reporting policy is intended to encourage and enable employees and others to raise serious concerns within the Company rather than seeking resolution outside the Company.

If you choose to identify yourself when reporting a concern, the confidentiality of your identity will be maintained to the maximum extent possible and consistent with our obligations to investigate and remedy the matter and, if appropriate, to report the matter to government officials.

The Company does not permit retaliation or harassment of any kind against Employees or Agents reporting potential violations of applicable anti-corruption laws or this Policy.

COMPLIANCE WITH POLICY

This Policy is meant to be read in conjunction with the Code of Business Conduct and Ethics. Employees who violate this Policy will be subject to disciplinary action, and, depending on the particular circumstances relating to the violation, the disciplinary action can include termination of their employment.

Agents who violate this Policy are subject to their relationship with the Company being terminated.

REGULAR REVIEW OF POLICY

The Company is committed to continuously reviewing and updating its policies and procedures. The Company reserves the right to modify, suspend or revoke the Policy and any and all other policies, procedures, and programs in whole or in part, at any time. This Policy will be reviewed by the Cypress Board of Directors annually. Any amendments to this Policy will be made available to all Employees.

Adopted by the Board of Directors of the Company, effective: [insert]