



**GLOBAL ANTI-BRIBERY
COMPLIANCE POLICY**

**APPROVED BY THE BOARD OF DIRECTORS OF PELOTON
COMPUTER ENTERPRISES LTD.**

APRIL 5, 2016

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PELTON COMPUTER ENTERPRISES LTD.**CORPORATE ANTI-BRIBERY COMPLIANCE POLICY****OVERVIEW**

Peloton Computer Enterprises Ltd. and its subsidiaries (the “Company”) shall conduct business worldwide in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all applicable laws and regulations. It is the intent of the Company that these standards remain embedded as core values across the organization.

The Company does not seek to achieve any improper influence nor will it tolerate even the appearance of impropriety in the actions of its directors, officers, employees, agents, consultants and contractors (each, a “Representative”).

While local standards and practice may vary, this Policy can be summarized as follows: you may not provide (or offer to provide), directly or indirectly, anything of value to anyone in order to get business or retain business, to obtain a commercial advantage, or to receive favoured treatment, anywhere in the world.

The collective success and reputation of the Company hinges on the personal commitment of all Representatives to adhere to this Policy. It is the responsibility of each Representative to promptly report any suspected contraventions of this Policy.

1. PURPOSE

The purpose of this Anti-Bribery Compliance Policy (the “Policy”) is to confirm with every Representative of the Company that they will adhere to the Company’s commitment to conducting business with honesty and integrity, and that they understand and comply with the specific requirements and prohibitions of Canadian and foreign laws that reinforce and police this commitment, regardless of the jurisdiction in which the Representative operates.

Bribery is a crime and penalties can be severe including prison sentences and large financial penalties. Depending on the circumstances, these penalties can be applied to a company and its directors and officers or employees and business associates or a combination of any of them. In certain jurisdictions, a company can also be punished for failing to prevent acts of bribery by those working on its behalf. To protect against these potential threats to its reputation and its business, the Company must put in place adequate procedures designed to prevent bribery by those acting on its behalf.

Representatives involved in the Company's international business must familiarize themselves with this Policy and any relevant legislation to ensure they do not knowingly or unknowingly compromise the Company's corporate values or violate any applicable law.

2. **SCOPE**

- 2.1 This Policy applies to all Representatives of the Company. It contains the Company's mandatory global standards and is aligned with applicable laws. In some countries, local laws and regulations may be more stringent than the principles set out in this Policy, in which case the more stringent rules apply.
- 2.2 This policy enters into force on April 5, 2016 and shall be implemented by all subsidiaries (taking into account local legal considerations).

3. **COMPLIANCE OFFICER**

- 3.1 The Vice-President of Peloton Computer Enterprises Inc. (the "Compliance Officer") shall be responsible for ensuring the Company's compliance with this Policy and with the applicable laws. As of the date of this Policy, the Compliance Officer is:

Lisa Coutts, Chief Financial Officer

450-1000 7th Ave SW, Calgary, AB, CANADA T2P 5L5

403.355.9974

lisa.coutts@peloton.com

- 3.2 The Compliance Officer shall, including by carrying out periodic risk assessments and compliance audits, ensure that:
 - a) this Policy remains up-to-date and reflects changes to the Company's business activities and risks and to the applicable laws and regulations;
 - b) all Representatives are aware of and trained in compliance with this Policy in accordance with their respective responsibilities, and are familiar with the Red Flag Due Diligence Items set out in Appendix A to this Policy;
 - c) the Company's sales documents and other agreements contain provisions to mitigate the risk of third parties committing acts of bribery that may implicate Peloton;
 - d) all Representatives have access to support and advice when confronted with situations involving potential risk; and
 - e) this Policy is enforced by way of appropriate discipline.
- 3.3 The Compliance Officer shall maintain records in relation to compliance with this Policy and the Company's related internal controls, in order to support the Company's defence in the event of a charge or complaint.

- 3.4 The Compliance Officer shall report to the Board of Directors on the Company's compliance with this Policy at each Annual General Meeting.

4. DEFINITIONS

<i>Agent</i>	Means a person or organization that is retained by the Company to represent, further or develop its business interests in a foreign country. This includes consultants and entities that lobby or deal with foreign governments, their agencies, politicians or employees to obtain, retain or develop business on the Company's behalf.
<i>Bribe or Bribery</i>	Means the giving, offering or promising to give to <u>anyone</u> , anywhere in the world, whether directly or indirectly, <u>anything of value</u> , in order to obtain or retain business or gain an advantage for the Company. "Anything of value" includes but is not limited to: <ul style="list-style-type: none"> • cash payments of any amount; • loans, gifts and favours; • phony jobs or "consulting" arrangements; • charitable contributions or political donations; • benefits granted to third parties; and • in certain circumstances, business expenditures such as entertainment, travel, training, and other forms of non-cash perquisites or incentives.
<i>Contractor</i>	Means a person or an entity who supplies materials, labour or services to the Company.
<i>Employee</i>	Means a temporary, permanent or contract employee of the Company.
<i>Extortion</i>	Means obtaining or attempting to obtain something of value by force, threats or persistent demands.
<i>Foreign Joint Venture Partner</i>	Means a resident or national of a foreign country, an entity incorporated or established in a foreign country, a foreign subsidiary of an entity incorporated or established in Canada, a foreign government, or any agency of a foreign government that has been proposed as, or may become, a joint venture partner of the Company in a foreign country.
<i>Foreign Official</i>	Includes but may not be limited to: <ul style="list-style-type: none"> • any person holding a legislative, administrative or judicial office of a foreign country, whether they are appointed or elected; • any person exercising a public function for a foreign country, paid or unpaid, including a person employed by a board, commission, company

or other body or authority that is established to perform a duty or function on behalf of the foreign state;

- any official or agent of a public international organization (e.g. International Monetary Fund, United Nations, World Bank);
- a political party, an official of a political party, or a candidate for political office
- aboriginal or traditional leaders;
- an immediate family member, such as a parent, spouse, sibling, or child of a person described above.

Improper Payment

- Means a Bribe, Kickback, or any other provision of a gift or benefit that is contrary to this Policy.

Kickback

- Means the payment of a portion of contract consideration to another contracting party. This includes the improper or secretive use of sub-contracts, purchase orders, consulting agreements or gifts in order to channel payments to principals, employees or other representatives of another contracting party, or to their relatives or business associates.

Representative

Means all directors, officers, employees, agents, consultants and contractors of Peloton or its subsidiaries or affiliates, anywhere in the world.

5. SPECIAL RULES FOR FOREIGN PUBLIC OFFICIALS

While Representatives are prohibited from offering, promising or giving bribes to anyone, the risks of bribery are particularly serious when dealing with Foreign Public Officials. As a result, this Policy contains special rules for dealings with Foreign Public Officials.

As a general matter, prior to entering into foreign business relationships including with Agents and Contractors, the Company shall conduct due diligence with respect to the government ties possessed by prospective foreign business partners. The proposed business relationship shall be assessed with reference to this Policy. This assessment process shall be integrated into the Company's existing due diligence procedures for foreign business relationships.

6. BRIBES

- 6.1 The Company and its Representatives shall not, directly or indirectly, offer or give a Bribe to **any person or organization**. Any demands for Bribes shall be rejected and immediately reported to the Compliance Officer.
- 6.2 The Company and its Representatives shall not, directly or indirectly, request or accept a Bribe from **any person or organization**. Any offers of Bribes shall be rejected and immediately reported to the Compliance Officer.

7. KICKBACKS

Except where such arrangements are expressly legal in the relevant jurisdiction, the Company and its Representatives shall not kick back any portion of a contract payment to employees of another contracting party, or utilize any other techniques, such as subcontracts, purchase orders or consulting agreements, so as to improperly channel payments to a recipient or to the relatives or business associates of a recipient in order to obtain a business advantage. Any demands for a Kickback shall be rejected and immediately reported to the Compliance Officer.

8. EXTORTION

The Company and its Representatives shall not, directly or indirectly, demand or accept anything of value from a party doing business with the Company where the purpose of the exchange is the improper or secretive advancement of the Company's business interests. Any attempts at or instances of Extortion shall be immediately reported to the Compliance Officer.

9. GIFTS, HOSPITALITY AND ENTERTAINMENT

Building long-term relationships based on trust and mutual respect is at the core of the Company's business model, and the Company recognizes that accepting and providing hospitality and small gifts can be a normal part of business. This Policy does not prohibit these kinds of exchanges, subject to the following rules. As a general matter, Representatives must be extremely cautious in giving gifts and hospitality to Foreign Public Officials, since what may be acceptable in the private sector may not be acceptable when dealing with Foreign Public Officials.

- 9.1 Small gifts or mementos and basic hospitality and entertainment may be given or accepted on the Company's behalf if they are infrequent, of small value (**less than \$100CDN in value**), are given in a direct and transparent manner, are appropriate in the circumstances, are permissible under local law and the recipient's policies and are accurately recorded in the Company's books and records.
- 9.2 Gifts, hospitality and entertainment must not be intended or appear to be intended to influence any act or decision within the recipient's official capacity so as to provide a benefit to the Company. Put otherwise, gifts, hospitality or entertainment must not be given in exchange for a benefit of any kind or so as to create a sense of obligation on the part of the recipient.
- 9.3 Cash or cash equivalents (e.g. gift cards or vouchers) are not permissible as gifts.
- 9.4 Representatives shall not provide gifts, entertainment or hospitality to persons who accompany Foreign Public Officials to Company business meetings, congresses or comparable events where the attendance of such persons does not have a legitimate business purpose.
- 9.5 If there is any doubt about the appropriateness of a particular gift or memento, the giving or receipt of such items must be reviewed and approved in advance by the Compliance Officer.

10. PAYMENT OF EXPENSES

- 10.1 The Company may pay or reimburse reasonable expenses that are incurred in good faith by or on behalf of a Foreign Public Official or a private party if:
- a) there is a clear and justifiable purpose for such expenses which is directly related to the demonstration or performance of Company products or services;
 - b) the payment of such expenses is legal under the laws of the country of the receiving party and considered customary in such country; and
 - c) the expenses are properly recorded in the Company's books and records in reasonable detail such that they accurately and transparently reflect the true nature and amount of the transaction.
- 10.2 Examples of reimbursable expenses include reasonable expenses incurred to attend demonstrations of the Company's products or facilities, or training relating to the Company's products. Expenses for "side trips" shall not be reimbursed by the Company.
- 10.3 Travel expenses must not be paid twice; i.e., the Company will either pay the expenses directly or provide a per diem that is reasonable under the circumstances, but not both.
- 10.4 Travel expenses of spouses, children, companions, or friends of Foreign Public Officials or private parties shall not be paid or reimbursed.

11. POLITICAL CONTRIBUTIONS, GRANTS AND DONATIONS

- 11.1 As a general policy, the Company and its Representatives (while acting on behalf of the Company) shall not make political contributions including money, assets, property or other things of value.
- 11.2 Also as a general policy, the Company and its Representatives shall not give grants or donations at the request of or for the benefit of any Foreign Public Official who may be in a position to provide a benefit to the Company.
- 11.3 All expenditures referred to in sections 11.1 and 11.2 shall be approved in advance by the Compliance Officer and shall only be made in accordance with applicable law, and all requirements for public disclosure of such contributions shall be fully complied with.

12. AGENTS

- 12.1 Agents as defined in section 3 above should only be used where necessary. Where the Company deems it necessary to retain an Agent,
- (a) the reputation, background and past performance of the Agent, including any relationship to Foreign Public Officials, shall be properly researched and documented with reference to this Policy; and

- (b) the Agent will be retained pursuant to a written agreement which specifically defines the Agent's duties and authority and provides for, at a minimum:
 - (i) an acknowledgement that the Agent understands the provisions of this Policy and agrees to comply with any applicable terms as well as any provisions of applicable law;
 - (ii) an acknowledgement that the Agent is not authorized under any circumstances to pay or offer to pay an Improper Payment;
 - (iii) the Company's right to audit expenditures made on behalf of the Company by the Agent;
 - (iv) immediate termination of the agreement for payment of a Bribe or Kickback; and
 - (v) other risk-based provisions to guard against violation of this Policy and applicable laws.

12.2 The Company shall require, wherever possible, all agents to sign an Agent Certification as set out in Appendix B to this Policy.

13. FOREIGN JOINT VENTURE PARTNERS

13.1 Prior to entering into any joint venture with a Foreign Joint Venture Partner, the Company shall carry out due diligence on and an approval of such party similar to retaining an Agent as described above and with reference to this Policy.

13.2 All contracts entered into with a Foreign Joint Venture Partner shall contain provisions to ensure that there is no breach of applicable anti-corruption laws by any party to the joint venture. The Company shall retain sufficient management control of, and transparency into, any such joint venture arrangement to ensure that its business practices are in compliance with such laws, or at a minimum, that the joint venture has proper controls in place to ensure compliance with such laws.

14. CONTRACTORS

All Contractors shall be made aware of this Policy, and the Company shall not enter into any agreement with a Contractor that contravenes this Policy. The Company shall include risk-based provisions in its Contractor agreements prohibiting the Contractor from violating this Policy and applicable laws.

15. EMPLOYMENT OF FOREIGN PUBLIC OFFICIALS AND RELATED PARTIES

15.1 Foreign Public Officials may only be employed by the Company if:

- (a) such employment is required by foreign government regulations or contractual provisions with a foreign government, or is specifically requested in writing by a foreign government;

- (b) such employment and the terms of employment are legal under local laws;
- (c) the services to be rendered to the Company do not conflict in any manner with the governmental duties of such person; **and**
- (d) the Compliance Officer has reviewed and approved such employment.

15.2 As a general policy the Company will not employ family members, employees or close associates of Foreign Public Officials. Any such employment arrangement shall be subject to the prior approval of the Compliance Officer, shall be compliant with all applicable laws, and must not be intended or appear to be intended to influence the actions of the Foreign Public Official in his or her official capacity.

16. BUSINESSES OF FOREIGN PUBLIC OFFICIALS

16.1 Representatives shall not enter into a contract or agreement on behalf of the Company with any business in which a Foreign Public Official or his or her relative holds a significant direct or indirect interest unless:

- (a) such business arrangement is required by foreign government regulations or contractual provisions with a foreign government, or is formally requested in writing by a foreign government;
- (b) such business arrangement is legal under local law;
- (c) the services to be rendered to the Company do not conflict in any manner with the governmental duties of such person; **and**
- (d) the Compliance Officer has reviewed and approved such employment.

17. BOOKS AND RECORDS

17.1 The purpose of this provision is to prevent the concealment of bribes and to discourage fraudulent accounting practices.

17.2 The Company and its Representatives shall ensure that the Company's books and records accurately reflect the Company's transactions, and that such transactions are recorded with sufficient detail so that knowledgeable third parties can understand the purpose and amount of any transaction.

17.3 "Off-the-books" accounts and false or deceptive entries in the books and records are strictly prohibited. Secret accounts or unmonitored "slush funds" and any documents which do not accurately record transactions, including the objects of liabilities to which they relate, are strictly prohibited.

17.4 Key contract documents and approvals are to be retained, either in hardcopy or in secure electronic format, in line with the Company's regional and local record retention policies.

- 17.5 As a matter of practice, Representatives should retain a record and copies of all communications with Foreign Public Officials.

18. COMPLIANCE AND REPORTING OF VIOLATIONS: “WHISTLEBLOWING”

The collective success and reputation of the Company hinges on the personal commitment of Representatives to adhere to this Policy. It is the responsibility of each Representative to promptly report any suspected contraventions of this Policy.

- 18.1 No Representative will suffer demotion, penalty or other adverse employment consequence for complying with this Policy even if such compliance may result in the Company losing business.
- 18.2 Any Representative who becomes aware of a prior or potential violation of this Policy is required to contact the Compliance Officer or a member of the Board of Directors. Any Representative making a good faith report of an alleged violation shall be fully protected and indemnified by the Company.
- 18.3 The Company shall take appropriate disciplinary action, including dismissal, against
- (a) any Representative found to be in violation of this Policy;
 - (b) any Representative who has direct knowledge of potential violations of this Policy but fails to report such potential violations; and
 - (c) any Representative who misleads or hinders investigators inquiring into potential violations of this Policy.

SCHEDULE A

“Red Flag” Due Diligence Items

All Representatives who are responsible for developing business, entering into transactions or otherwise dealing with Foreign Public Officials on behalf of the Company must be familiar with the following “red flags,” which indicate an increased risk of violation of the Corporate Policy on Corrupt Practices and applicable anti-corruption laws.

In general, business transactions should be scrutinized carefully where they occur in countries with widespread corruption or a history of bribery violations, or where the local government or government officials are heavily involved in the local economy. Up-to-date and country-by-country analysis of corruption levels is available in the Transparency International Corruption Perceptions Index at www.transparency.org/research/cpi

Transaction Red Flags

Transactions that raise particular concern are those where an agent, consultant or other intermediary (who may or may not be a Foreign Public Official) is retained by the Company to conduct or facilitate a transaction with a foreign public official or government entity or to obtain necessary permits and authorizations on behalf of the Company. The following red flags signal a need for further due diligence:

- The agent refuses to confirm in writing that it will abide by applicable bribery laws, or is ignorant of or indifferent to local laws and regulations.
- Family or business ties between an agent and a government official.
- The agent has a bad reputation or is the subject of credible rumors or media reports of inappropriate payments.
- The agent requires that its identity or its relationship with the Company or a Foreign Public Official not be disclosed.
- A Foreign Public Official recommends the agent. This could suggest a coordinated scheme to divide a payoff.
- The agent lacks appropriate facilities or qualified staff, or appears to be in significant financial difficulty.
- The agent uses shell companies that obscure ownership without a credible explanation, or refuses to disclose owners, partners or principals.
- There are misrepresentations or inconsistencies in the agent’s representations.
- The agent provides a business reference who declines to respond to questions or who provides an evasive response.
- Any other odd request by an agent that arouses suspicion.

Payment Red Flags

The following red flags may indicate that the intermediary is paying or intends to pay bribes or kickbacks in order to accomplish the tasks requested by the Company:

- Excessive or unusually high compensation. The appropriate compensation will vary depending upon the extent of the agent's obligations and expertise, the risk that the agent will incur, whether it is committing its own capital to the venture, or if it is incurring high documented expenses.
- Requests for unusual bonuses or extraordinary payments.
- Requests for an unorthodox or substantial up-front payment, a request that invoices be backdated or altered, or requests for unorthodox payment methods.
- Requests that cheques be made out to "cash" or "bearer," that payments be made in cash, or that invoices be paid in some other anonymous form or to unknown third parties.
- Over-invoicing (e.g., the agent asks you to cut a cheque for more than the actual amount of approved expenses).
- Requests for an unusually large credit line for a new customer.
- Requests for increase in compensation during the contract term.
- Requests for payments to a bank account in a country other than the agent's country of residence or the country of the business activity, into a numbered account or to third parties or their bank account.

SCHEDULE B**Agent Certification Template**

I [NAME OF PARTY] certify to [Peloton entity] (“Peloton”) that:

1. I have not been convicted of, pleaded guilty to any offense involving fraud, corruption, tax evasion, theft or larceny, securities violations, or breach of contract in any jurisdiction.
2. I have reviewed the current version of Peloton’s Global Anti-Bribery Policy (the “Policy”) and I understand Peloton’s prohibitions against Bribery and Kickbacks (“Improper Payments”) to officials or employees of a government or of any political party (“Public Officials”), or to private parties.
3. I understand and acknowledge that I am not authorized by the Corporation to (i) make or offer to make an Improper Payment or permit such a payment to be made; (ii) assist or encourage any Improper Payment; or (iii) take any other action that would cause Peloton to violate any applicable law.
4. I will seek authorization from [NAME] prior to providing any gifts to or paying any expenses of Public Officials on behalf of Peloton.
5. I am not a Public Official as defined in the Policy. If I become a Public Official during the life of this agreement I will advise Peloton.
6. I have disclosed to Peloton the names and positions of all family members or business associates who are Public Officials.
7. All payments received by me directly or indirectly from Peloton will be received in a currency agreed with Peloton at my usual place of business or by bank transfer **[TO BE DETERMINED IN THE CIRCUMSTANCES]**. I will issue a receipt in a standard form for all such payments I receive from Peloton.

Certified on the ____ day of _____, 201____ in the City of _____,
country of _____.

Authorized Signature:

SCHEDULE "C"

Sample Integrity Clause for Agent Contracts

This clause is a sample only and should be modified to fit the particular application. A definition of "Public Officials" should be included in the Agent contract.

Integrity

Agent hereby agrees that Agent shall perform all work in relation to this Agreement in a manner consistent with all applicable laws and regulations, including all applicable anti-bribery and antitrust laws. Agent has not made, provided or promised and will not make, provide or promise, any payment or other benefit, directly or indirectly, to Public Officials, customers, business partners, or any other person in order to secure an improper benefit or unfair business advantage, affect private or official decision-making, or induce someone to breach professional duties or standards.

Agent represents that it, and its owners, officers, employees and representatives, are not, and during the life of this contract will not become Public Officials. Agent further agrees that it will immediately disclose any such appointment to Company and that any such appointment will entitle Company to immediately terminate this agreement.

Prior to the commencement of work under the Agreement, or from time to time as requested by Peloton, Agent shall review the current version of Peloton's Global Anti-Bribery Compliance Policy (the "Policy"), which is hereby incorporated into this Agreement, and shall execute the Agent Certification attached hereto as Schedule "C" on behalf of itself and its officers, directors, employees, and agents.

Agent will immediately report to Peloton in writing any suspected or detected violation of the above principles or the Policy in connection with Peloton's business and, in any such case, will cooperate fully with Peloton in reviewing the matter. In the event that Peloton believes, in good faith, that Agent has violated any of the above principles; Peloton shall have the unilateral right to terminate the contractual relationship with immediate effect.

During the term of the Agreement and for the one (1) year period following the termination or expiration of the Agreement, Peloton or its duly authorized third-party auditor, upon reasonable advance notice to Agent and at Peloton's sole expense, shall have the right during normal business hours to examine and copy such books, records, and other documents and materials, except individual salary information, for the sole purpose of verifying whether Agent has complied with the obligations stated herein and in Schedule "C".