



MGT Capital Investments Inc.

Foreign Corrupt Practices Act & Certain Business Practices



Table of Contents

1	Introduction	3
2	Company Policy	3
3	Approvals/ Documentation	5
4	Frequently Asked Questions & Other Information	5
5	Questions.....	6

1 Introduction

The Company and its subsidiaries are required to comply with the provisions and statements of the Securities and Exchange Act of 1934 (the "Act"). A specific provision of the Act, the Foreign Corrupt Practices Act (the "FCPA"), is intended to cover illegal or sensitive payments or gifts to individuals or organizations in foreign countries as well as certain operations of corporations in the United States. The FCPA also contains certain record keeping requirements.

It is the Company's policy to comply with FCPA in every aspect. Each officer, manager, and employee of the Company has the responsibility for compliance with the FCPA within their area of authority and report any violations to the CFO or Group Finance Controller immediately.

2 Company Policy

Sensitive Payments and Transactions

The Company, through its officers, agents and/or employees, will not make an offer, payment, promise to pay, or authorize the transfer of any of the Company's assets to:

- a) Any foreign official for the purposes of:
 - i. influencing any act or decision of a foreign official in his official capacity, including a decision to fail to perform his official functions, or
 - ii. inducing a foreign official to use his influence with a foreign government or instrumentality to affect or influence any act or decision of the foreign government or instrumentality, in order to assist the Company in obtaining or retaining business for or with, or directing business to any person.
- b) Any foreign political party, official or candidate for foreign political office for purposes of:
 - i. influencing any act or decision of the political party, official or candidate in its or his official capacity, including a decision to fail to perform its or his official functions, or
 - ii. inducing such political party, official or candidate to use its or his influence with a foreign government or instrumentality to affect or influence any act or decision of such government or instrumentality, in order to assist the Company in obtaining or retaining business for or with, or directing business to any person.
- c) Any person, while knowing or having a reason to know that all or a portion of the funds or item of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party, or to any candidate for foreign political office, for purposes of:
 - i. influencing any act or decision of the foreign official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions, or

- ii. inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality to affect or influence any act or decision of such government or instrumentality, in order to assist the Company in obtaining or retaining business for or with, or directing business to any person.

In addition to the matters above specifically addressed in the FCPA, this policy incorporates the following:

- a) The Company policy prohibits the existence or creation of any undisclosed, secret or unrecorded funds, assets or liabilities;
- b) No payment on behalf of the Company should be approved or made with the intention or understanding that any part of the payment is to be used for purposes other than described by the documents supporting the payment;
- c) No false or fictitious entries should be made in the financial statements or underlying financial records and no employee shall engage in any arrangement that results in such an act; and
- d) The Company's policy prohibits the use of Company assets or funds for purposes other than specifically authorized by management.

Record Keeping Requirements

As required by the FCPA, the Company and its subsidiaries will maintain books, records, and accounts which, in reasonable detail, accurately and fairly reflect all of the Company's transactions. The Company and its subsidiaries will maintain a system of internal accounting controls sufficient to reinforce compliance with this policy and provide reasonable assurance that:

- a) transactions are executed in accordance with management's general and specific authorization;
- b) transactions are recorded as necessary (a) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (b) to maintain accountability of assets;
- c) access to Company assets and funds is permitted only in accordance with management's general or specific authorization;
- d) the accounts recorded on the Company's balance sheet should be reconciled to the underlying accounting detail at reasonable intervals and, where appropriate, compared to the physical assets. Appropriate action should be taken with respect to significant differences.

These record keeping requirements should be reviewed in conjunction with other financial policies.

Reporting of Sensitive Matters

The officers, directors, managers, and employees of the Company and its subsidiaries are responsible for enforcement and compliance with this policy. This includes:

- a) the necessary communication to inform all employees of their duties and obligations

AND

- b) periodic review of these matters.

3 Approvals/ Documentation

In the event that any of the sensitive matters described above have occurred, they should immediately be discussed with the CFO or Group Finance Controller, accompanied by the following information:

- a) The amount and purpose of the payment;
- b) The identification and line of business of the recipient of the payment;
- c) The circumstances under which the payment was made;
- d) The manner in which the payment was made, including the character of the accounting entries made in connection with the payment; and
- e) The identity of any person who knows of the payment.

The year end financial reporting representation letter will require each financial manager to indicate compliance with the policy statement.

4 Frequently Asked Questions & Other Information

Who should I contact if I suspect sensitive activities?

You should contact the CFO (Robert P. Traversa) or the Group Finance Controller if you suspect sensitive matters described above have occurred.

Where can I get more information from?

You can read more information on the Department of Justice website on the following link:

<http://www.usdoj.gov/criminal/fraud/fcpa/>

5 Questions

If you have any questions about this please contact:

Jay Kaplowitz, Esq.
Sichenzia Ross Friedman Ference LLP
61 Broadway – 32nd Floor
New York, NY 10006

Office: (212)930-9700
E-mail: JKaplowitz@srff.com