



**ALMAR WATER SOLUTIONS B.V. ("ALMAR" or the "Company")**

**ANTI-CORRUPTION POLICY**

**Revision 1 – Adopted 25<sup>th</sup> September, 2019**

**1. Definitions**

For purposes of the Policy, the following terms should be considered to have the meanings indicated below:

- a) **"Government Official"** will be broadly understood for the purposes of this Policy, going beyond the legal definitions in the applicable anti-corruption laws in ALMAR's commitment against obtaining illegal favorable treatments:
- 1) Public authorities: anyone who, individually or as a member of any corporation, board or collegiate body, holds a management position at a public administration body or executes jurisdiction pertaining thereto (e.g. members of Congress, Senate, Legislative Assemblies of the Autonomous Communities and the European Parliament, officers of the Public Prosecutor's Office, etc.);
  - 2) Public servants: anyone who exercises public duties when (i) so established by the law; or (ii) elected or appointed by a competent authority;
  - 3) Public servants of foreign countries or of International Organizations: anyone who holds the abovementioned positions in a foreign country or in an international organization;
  - 4) Government employee: anyone who is employed by a government-owned or controlled enterprise, corporation, agency or business;
  - 5) Any foreign political party or party official or any candidate for foreign political office (consistent with the U.S. Foreign Corrupt Practices Act of 1977) or anyone who holds a management position at a political party;
  - 6) Members of NGOs: anyone who holds a management position at an NGO;
  - 7) Persons acting in an official capacity: anyone who does not formally hold a position in the public Administration but, when engaging with ALMAR, exercises public duties or acts in the capacity of any of the categories described above by reason of the specific activity performed at the relevant moment; or
  - 8) Family members: any of the abovementioned persons' family members.



Any question regarding whether an individual is considered a Government Official as defined above must be addressed to the Chief Compliance Officer (“CCO”).

- b) **“Anything of value”** means anything that has value to the recipient, such as (but not limited to) cash or a cash equivalent, services, charitable donations, political contributions, travel and/or entertainment expenses, meals and gifts.
- c) **Third Party** includes Joint Venture Partners, Agents, Suppliers and Consultants, other intermediaries or another person in the private sector, who act on behalf of and for the benefit of ALMAR or who may have the power to bind the Company or represent the Company before any Government Officials.

## 2. Scope

This Policy develops the guidelines included in section 4 of the ALMAR Code of Conduct and constitutes ALMAR's reference framework on anti-corruption matters. The Policy explains the procedures through which ALMAR can maintain its high ethical standards and protect its reputation against any allegations of bribery and corruption. Its successful implementation requires pro-active adoption at every level.

This Policy applies to all of the company's officers and directors, employees, agents, consultants, and representatives whether belonging to ALMAR or any affiliate of the Group (all together referred as **“Personnel”** or the **“Company”**). Where certain provisions are intended to apply only to the company's officers, directors, and employees, references to the term **“Employee”** is instead used.

The Policy will be communicated to all Employees of ALMAR and every Employee of ALMAR is required to read and understand all aspects of this Policy and abide by it. ALMAR Management will assist each business unit with continuous refreshing and reinforcing of this Policy via application guidance and monitoring.

The relevant sections of this Policy and the Code of Conduct will be communicated to ALMAR's Third Parties according to the Third Parties Relationship Protocol.

## 3. Policy

ALMAR believes in ethically conducting its business and strongly opposes the use of bribery, improper payments, or unethical practices to secure any business advantage in connection with the Company's business.

ALMAR is committed to ensuring adherence to the highest legal and ethical standards. This must be reflected in every aspect of the way in which we operate. We must bring integrity to all our dealings. Bribery and corruption harm the societies in which these acts are committed and prevent economic growth and development.



ALMAR's Code of Conduct is our statement of essential ethical and compliance principles that guide our daily operations. The Code of Conduct makes it clear that ALMAR expects its officers, directors, employees, agents, consultants and representatives to act in accordance with all laws and applicable Company policies, including any local anti-bribery laws. This ALMAR Anti-Corruption Policy (the "**Policy**") supplements the Code of Conduct by providing detailed guidance for complying with anti-corruption and anti-bribery laws that are applicable to ALMAR activities.

This is not just a cultural commitment on the part of the organization; it is a moral issue and a legal requirement. Bribery is a criminal offence in every country in which ALMAR operates, and corrupt acts expose the Company and its Employees to the risk of prosecution, fines and imprisonment, as well as endangering the Company's reputation.

You may not attempt to circumvent this Policy, including by authorizing any intermediary or any other Third Party to engage in any of the behaviors prohibited by this Policy.

ALMAR attaches the utmost importance to this Policy and will apply a "zero tolerance" approach to acts of bribery and corruption by any of our Employees or by Third Parties working on our behalf. Any breach of this Policy can have devastating consequences for ALMAR and will be regarded as a very serious matter by the Company and is likely to result in disciplinary measures, including termination.

#### **4. What is bribery and corruption?**

Bribery and corruption has a range of definitions in law, but the fundamental principles apply universally. For the purposes of this Policy the following definitions apply and the behaviors are prohibited to ALMAR Personnel:

- Corruption is the misuse of public office or power for private gain, or misuse of private power in relation to business outside the realm of government. Corruption also includes trading in influence, which involves improperly influencing a Government Official or another person in order to obtain an undue advantage over another party.
- Bribery of Government Officials is the offer, promise, giving, demanding or acceptance to or by a Government Official of an undue advantage as an inducement for the official to act or refrain from acting in the exercise of his or her official duties.
- Bribery in the private sector is the promise, offering or giving, solicitation or acceptance of an undue advantage to or by any person who directs or works for a private sector entity, as an inducement for him or her to act or refrain from acting in breach of his or her duties.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this Policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is irrelevant. The person being bribed is generally someone who will be able to obtain, retain or direct business. Bribery can occur in a variety of contexts including sales-related activities (such as tendering and contracting) and the handling



of administrative tasks (such as licenses, customs, taxes or import/export matters). It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

## **5. Applicable laws**

ALMAR has operations in many countries and thus the anti-corruption laws of many nations could apply to ALMAR's operations (collectively "**Applicable Anti-Corruption Laws**"). These include but are not limited to:

- The U.S. Foreign Corrupt Practices Act of 1977, as amended ("**FCPA**");
- The U.K. Bribery Act 2010 ("**UKBA**");
- Spanish Organic Law 10/1995, of November 23, of the Criminal Code ("**SCC**") and in particular its articles 286 bis to 286 quarter, 304 bis and 304 ter and 419 to 430;
- Division 70 of the Australian Criminal Code;
- Articles 3333 and 337-B of Brazil's Criminal Code and Brazil's Clean Company Act 2014 (Law No. 12,846);
- India's Prevention of Corruption Act, 1988;
- Article 222 bis of Mexico's Federal Criminal Code;
- Articles 177, 177a, and 178a of the Dutch Criminal Code;
- Articles 234 to 239 of the United Arab Emirates' Penal Code; and
- All other equivalent anti-corruption or anti-bribery laws applicable to the company by virtue of its jurisdiction of incorporation or the conduct of its business operations.

Some of the main provisions of the Applicable Anti-Corruption Laws are summarized in Appendix 1.

## **6. Penalties and Sanctions**

Bribery is a criminal offence in every country in which ALMAR operates, and penalties can be severe. National laws of many countries not only make bribery and corruption illegal and a criminal offence, but also hold companies liable for failing to implement adequate procedures to prevent such acts by those working for the company or on its behalf. It is therefore in your interest, as well as in that of ALMAR, that you act with propriety at all times. Moreover, corrupt acts committed abroad, including those by Third Parties working on our behalf, may well result in a prosecution not only in Europe but also in the US and UK pursuant to the FCPA and the UKBA.



In addition to the penalties listed below, any Employee of the Company who violates any of these or other equivalent anti-corruption and/or anti-bribery laws applicable to the Company will be subject to disciplinary action, up to and including termination for cause.

Persons or entities who provide services to the Company as Third Parties (contractors, consultants or other agents) should similarly expect to have their contracts terminated for cause if they violate any of these laws.

The Company will actively seek to recoup any losses which it suffers as a result of a violation of any of these laws from the individual or entity who carried out the prohibited activity.

The FCPA prohibits ALMAR from reimbursing a fine paid by an Employee and it is the Company's policy not to do so in any jurisdiction and under any law.

The main penalties and sanctions under the FCPA, the UKBA and the SCC are summarized in Appendix 1.

## **7. Where do bribery and corruption typically arise?**

### **7.1. Third Parties**

The definition of Third Party is broad and could include agents, representatives, consultants, brokers, distributors, joint venture partners, partners in the ALMAR supply chain or other intermediaries who act for or on behalf of and for the benefit of the Company. Different types of Third Parties pose different types of bribery risks, and we need to be aware that some of these arrangements can potentially present ALMAR with significant risks.

ALMAR will only contract with Third Parties which operate with transparency and integrity and are firmly committed to the fight against corruption.

Improper activities of Third Parties acting on our behalf can result in liability for you, as an individual, and ALMAR as a company under Applicable Anti-corruption Laws if you fail to take appropriate steps to prevent such corrupt activities.

The general rule for all business partners and Third Parties that you work with is simple: ***If you are prohibited from doing something under this Policy, so is the Third Party. Third Parties cannot be used to circumvent ALMAR's policies, and it is your responsibility to see that Third Parties with which you work follow ALMAR's policies.***

You and ALMAR can be held responsible for corrupt acts of a Third Party – even if you do not directly know or know at all the details of the conduct – if you knew, or should have known, that such intermediary was engaging in corrupt activities on behalf of ALMAR or if you disregarded the existence of “Red Flags” (see examples in Appendix 2 of this Policy). Ignorance or “turning a blind eye” is not an excuse.



If any Employee knows, reasonably believes or has a suspicion that a payment or promise of payment prohibited by the Applicable Anti-Corruption Laws has been, is being or may be made by a Third Party on ALMAR's behalf and/or for the benefit of the Company, the relevant individual shall immediately advise the CCO and shall use all reasonable efforts to prevent the payment or promise of payment from occurring.

## **7.2. Gifts & Entertainment**

### **A. Providing gifts**

No gift, regardless of its value or recipient, may ever be given as an inducement, or in exchange for favorable treatment.

ALMAR Personnel must exercise great caution before giving Anything of Value to Government Officials and customers or others which are not Government Officials that could be perceived as illegal.

- Government Officials

Gifts to any Government Official are prohibited except as provided below.

The FCPA and UKBA are targeted towards bribes and similar corrupt or improper misconduct. U.S. authorities have found that gifts of nominal value given to Government Officials consistent with local tradition and custom do not violate the FCPA or UKBA.

However, no gift including marketing materials (such as pens, caps, or mugs) may be provided to any Government Official with the intent of obtaining an undue advantage or benefit. Moreover no gift may be provided to any Government Official without prior written approval from the CCO, or his/her designee.

- Customers or others which are not Government Officials

Private corruption is also a criminal offence under several jurisdictions where ALMAR operates such as Spain. Therefore, samples of appreciation and gratitude to customers or Third Parties that are not Government Officials, in relation to matters related to the activity of ALMAR, are acceptable as long as they fall within reasonable limits according to their value and context and are not granted with the purpose of obtaining an improper advantage or an agreement.

You may not provide gifts or entertainment during any twelve-month period to any person who does business with ALMAR or with whom ALMAR is seeking to do business that have a fair market value of more than \$250 without the advance written approval of the CCO. (See Form 1 for gift approval form).

- Common requirements

All gifts both for Government Officials and Third Parties, customers or others which are not Government Officials must meet the following requirements:



- No gift, regardless of its value, may ever be given as an inducement, or in exchange for favorable treatment;
- Cash gifts, as well as loans, gift cards, vouchers or the equivalent, are similarly prohibited;
- Must have the necessary approvals;
- Of Nominal Value;
- Something other than cash;
- Provided as a courtesy, token of regard or esteem, expression of gratitude, or in return for hospitality in accordance with customs of the country where given;
- In case of marketing materials, they serve a legitimate Company business purpose and they are branded with the Company's name or logo;
- Permitted under local law, regulations, and guidelines of the foreign Government Official's governmental entity;
- Of the type and value that are unequivocally customary and appropriate for the occasion; and
- Accurately recorded in the Company's books and records.
- Any gift promised, offered, or provided to a Government Official must be fully and accurately recorded as such in the Company's books and records.

All questions concerning the permissibility of proposed gifts must be directed to the CCO.

#### **B. Receipt of Gifts and Entertainment**

You shall not seek anything of substantial value, including any amount of cash, either directly or indirectly, from persons doing business or seeking to do business with ALMAR.

You may accept only reasonable and customary gifts from broker-dealers, partners or other persons providing services or seeking to provide services to ALMAR. Gifts such as the following generally will not be considered to be in violation of this section:

- Promotional items with the broker-dealer's or partners' logo, such as articles of clothing, gym bags, and the like distributed in connection with a conference or seminar sponsored by such broker-dealer or partners and offered to all conference or seminar participants; and
- A gift whose reasonable value is less than \$250 which shall be limited to \$250 per year for a recipient from a single giver.

The Company promotes a culture of honesty and transparency in the practice of receiving gifts. If you receive a gift whose reasonable value exceeds \$250, you must report it to the CCO, who will review with the General Counsel and approve or deny acceptance of the gift. (See Form 1 for gift approval form). Generally, such gifts will, after approval, be kept in the relevant office and entered into a raffle among the regional staff once per year (coinciding with the Christmas season).

The responsible legal or financial person in each region, as identified by the CCO, shall track and document all gifts received and approved, including from whom the gift was received, its approximate value, and the date of receipt.

You may only occasionally accept reasonable and customary entertainment from persons doing business or seeking to do business with ALMAR. You may not accept extravagant or excessive entertainment.



Without prior approval from the CCO, the total value of entertainment accepted from any company or related companies in any twelve-month period may not exceed \$250.

If there are any questions about a proposed gift or entertainment, you should discuss with the CCO before receiving the gift or entertainment.

### **7.3. Travel and Lodging**

#### **- Government Officials**

As a general rule, ALMAR will not pay for travel or lodging of a Government Official. However, in exceptional circumstances, hospitality can be provided to a Government Official always with prior written approval from the CCO or his/her designee. This hospitality is acceptable insofar as it falls within reasonable limits according to its value and context.

When the general rule does not apply, Employees must obtain prior authorization from the CCO before paying travel and accommodation expenses for a Government Official. Moreover, invitations to a Government Official must be transparent, in writing and clearly state the business purpose of the trip.

#### **- Customers or others which are not Government Officials**

As for Third Parties, customers or others which are not Government Officials, ALMAR will only pay the travel and hospitalities expenses if they have a legitimate business purpose (such as a visit to Company's facilities, or to enable the Company to promote, demonstrate, or explain its products and services) and there shall be no or only minimal side trips allowed.

#### **- Common requirements**

All travel and lodging expenses both for Government Officials and Business Partners, customers or others which are not Government Officials must meet the following requirements:

- That they serve a legitimate Company business purpose;
- That the Company and Employees shall not select the invitees itself, and should allow the customer or government agency, if possible under the circumstances, to select the invitees;
- That no payment is made directly, either as an advance or reimbursement for expenses (the Company should directly purchase travel or lodging from those who provide them, utilizing a travel agent or other third party if possible);
- That all expenses, such as airfare and lodging, shall be reasonable in cost under the circumstances and under applicable custom and practice.
- Providing "per diem" fees or expenses is avoided, particularly where meals are already being provided;
- That no cash payments are made;
- That travel and lodging expenses are only provided for the identified guest and not for spouses, family, or friends of the Government Official;
- That travel arrangements are directly between the place of residence or employment of the guest and the intended destination of the business travel, with no non-business side trips;
- Providing the travel or lodging is permitted under local law and regulations and guidelines of



the recipient's governmental entity (note that some customers have strict policies against receiving gifts);

- Other than the travel or lodging identified above, the guest is not compensated for his participation in the planned trip; and
- The expenses are accurately recorded in the Company's books and records.

#### **7.4. Entertainment**

These guidelines apply to each and every one of the activities generally considered as entertainment and leisure, including, without limitation, business lunches, golf matches, hunting events, bars, etc.

- Government Officials

No entertainment, including meals, may be provided to any Government Official without prior written approval from the CCO or his/her designee. If pre-approval before providing a meal to a Government Official or customers cannot reasonably be obtained under the circumstances, the CCO shall be notified as soon as practicable and a request submitted to the CCO.

- Customers or others which are not Government Officials

Invitations to events, functions or other social gatherings or entertainment activities to customers or others who are not Government Officials shall be directly related to the active conduct of the Company's business.

- Common requirements

Any entertainment must meet the following requirements:

- It serves a legitimate Company business purpose;
- Providing the entertainment is permitted under local law and regulations and guidelines of the recipient's governmental entity (note that some customers have strict policies against receiving gifts);
- It is of a type and value that are reasonable (not lavish, excessive, or frequent) and under applicable custom and practice;
- It must not be given in exchange for any improper benefit or agreement;
- It is in line with the local customs of the country where provided;
- It is of a type that is appropriate (e.g. no gentlemen's clubs);
- It is accurately recorded in the Company's books and records; and
- An Employee must be present at all entertainment activities; and Employees must exercise good judgment in choosing entertainment that does not jeopardize the reputation or interests of the Company, its Employees or customers.



## 7.5. Charitable Donations and Community Agreements

### A. Policy

ALMAR believes in contributing to the communities in which it does business and permits reasonable donations to foreign charities. The Company, however, needs to be certain that donation to foreign-based charities will not be used to disguise illegal payments to foreign Government Officials in violation of the Applicable Anti-Corruption Laws. The Company should not create even the appearance of impropriety; therefore, the following guidelines must be followed before making a charitable donation or entering a Community Agreement.

### B. Guidelines for Donations to Foreign Charities

Submit a written request to the CCO describing the charity, amount, business purpose, and the intended recipient of the donation, as well as identifying any governmental action pending before any official associated with the intended recipient. The donation should generate publicity or goodwill for ALMAR and demonstrate the Company's commitment to the community, whether local, regional or national.

Additionally, the following guidelines shall apply to all approved donations:

- (i) As necessary, the company will conduct due diligence on all of the parties involved in a donation (including any contractors). Before authorizing any payment, the CCO should establish that the charity is a bona fide organization and not an entity controlled for the benefit of a foreign Government Official. The verification of the charity's authenticity can include: (1) obtaining from the charity its articles of incorporation, statements from independent accountants, and information reflecting the charity's purpose; (2) requesting receipts, reports, and other documents that demonstrate how the charity will use the donated funds; (3) obtaining related information from the local office of the foreign embassy; and/or (4) obtaining a written opinion from local counsel.
- (ii) Charitable or community donations will be made only pursuant to a written agreement executed by the applicable parties, which must include appropriate anti-corruption representations (as identified by the CCO) and a contractual right for ALMAR to audit the donation to ensure that the project was completed and that funds were used only in an approved manner.
- (iii) The company must ensure there is appropriate transparency regarding the donation to everyone in the community and all applicable levels of government.
- (iv) The company must ensure there are proper controls in place to ensure any funds donated are actually used for the intended project. Wherever possible, the company shall attempt to pay contractors directly for work completed or to donate the actual material goods for which the funds are to be used.



- (v) Before the donation is made, the CCO should, in writing, affirm that it does not violate local laws, rules or regulations. For every donation, the CCO shall maintain in the company's compliance records: (1) the written request for a donation; (2) the written approval for a donation; (3) any other supporting documentation; and (4) any work product resulting from an audit performed in connection with the donation.
- (vi) All donations or grants must be first approved by the CCO and informed on the next Audit Committee meeting.
- (vii) All donations must be accurately recorded in ALMAR's books and records. Documentation that substantiates the Company's donation, such as receipts, should be retained and recorded properly in the Company's books and records. Supporting documentation relating to the donation must also be forwarded to the ALMAR Accounts Payable so that the payment or expense is accurately described and reflected in the Company's books and records.

C. Guidelines for Community Agreements

All Community Agreements must be reviewed for compliance with the Applicable Anti-Corruption Laws before being entered into by the Company. In addition to the requirements above, the CCO shall direct appropriate procedures to ensure such agreements are entered into with legitimate representatives of the local community and that the benefits of such agreements benefit those communities and not individual Government Officials.

**7.6. Foreign Political Contributions**

No ALMAR funds or assets, including the work time of an Employee, will be contributed, loaned, or made available, directly or indirectly, to any political party or the campaign of any candidate for political office, even if such contributions are permitted by foreign written laws.

This Policy does not prohibit Personnel from individually participating in political matters within their home countries. Involvement and participation in political activities must be at an Employee's choosing, on his or her own time, and at his or her own expense. When an ALMAR Employee speaks on public issues, it must be made clear that comments or statements made are his or her own and not those of the Company.

ALMAR Personnel are prohibited from participating in political activities in countries where they are not citizens, as such participation could jeopardize their continued right to live and work in the relevant country.

All questions concerning participation in political events or donations to political parties or candidates should be directed to the CCO.



## **7.7. Facilitating Payments Prohibited**

Payments made to foreign Government Officials to speed up or secure routine and non-discretionary governmental action – such as processing visas or scheduling inspections by a foreign Government Official – are sometimes referred to as “facilitating payments” or “grease payments.” These payments are not permitted under the UKBA and the Company does not permit these payments to be made, except when the health or safety of an Employee, consultant, agent, or other representative is in imminent and grave danger. In that event, the circumstances of the payment, including the reason for it, its amount, and the identity of the recipient, must be accurately recorded and reported to the CCO before the payment has been made.

## **7.8. Payments that may be Permitted**

### **1. Reasonable and Bona Fide Expenditures**

The FCPA permits the payment of reasonable and bona fide expenditures on behalf of a foreign Government Official and directly related to:

- (a) the promotion, demonstration or explanation of products or services; or
- (b) the execution or performance of a contract with a foreign government or agency thereof.

For example, the payment of reasonable travel and lodging expenses for a foreign official to visit facilities or meet with company representative are permitted under the FCPA. The FCPA also permits the payment of reasonable marketing expenses or other costs necessary to perform a contract even if such payment results in the giving of a thing of value to a foreign Government Official.

Any payment of expenses of the type described above must have express prior written approval from the CCO and be fully and accurately recorded as such in the Company’s books and records.

### **2. Payments Required by Contract**

Certain agreements may require the Company or one of its subsidiaries to make payments to or on behalf of another company in order to do business. These agreements and payments made pursuant to such agreements must be reviewed for compliance with the Applicable Anti-Corruption Laws by the CCO before the agreements and payments are made.

## **7.9. Accounting Policies**

### **1. Books and Records**

As developed in the Code of Conduct, the Company’s policy is to make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company’s assets. No undisclosed or unrecorded fund or asset may be established or maintained for any purpose. Personnel are prohibited from falsifying accounting records and must take all reasonable



care to ensure that any information provided to auditors is accurate. In addition, the Company will maintain a system of internal accounting controls sufficient to provide reasonable assurances as indicated in the accounting policies in the Code of Conduct:

- (i) that transactions are executed in accordance with management’s general or specific authorization;
- (ii) that transactions are recorded in such a way as to allow preparation of financial statements in conformity with generally accepted accounting principles or other applicable standards and to maintain accountability for assets;
- (iii) that access to assets is permitted only in accordance with management’s general or specific authorization; and
- (iv) that the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The Company and its Personnel will follow applicable generally accepted accounting principles, standards and regulations for accounting and financial reporting and will ensure that financial and nonfinancial information and operating metrics are reported accurately and in a timely fashion. Furthermore, the Company will maintain sound processes and controls. Company documents will only be signed and/or approved by those with the appropriate authority to do so.

All related agreements, side letters or other commitments made by Company to third parties will be provided to the business finance managers or CCO so that transactions may be properly characterized.

## 2. Reasonableness Standard

The FCPA books and records provisions require “reasonable detail” and “reasonable assurances,” which mean the level of detail and degree of assurance that would satisfy prudent officials in the conduct of their own affairs. That standard has been interpreted to mean that the records and control requirements do not connote an unrealistic degree of exactitude or precision. Such standard is generally thought to be higher than the materiality standard which typically applies in accounting. Accordingly, even relatively small payments or gifts may have to be accurately recorded in order to satisfy the FCPA’s requirements.

Although it is not a U.S. listed company, the Company, as a matter of policy, aims to conduct its operations consistent with these provisions.

## 3. Safeguarding and Maximizing Assets

Personnel must at all times safeguard Company assets (physical, financial and informational). Personnel must watch for physical assets or other resources that could be more fully used, reallocated or disposed of, circumventing review and approval procedures, inadequate routines and controls at newly acquired businesses and at remote and/ or understaffed sites and inadequate routines and controls to preserve documents (including e-mail) for pending or reasonably foreseeable litigation, audits and investigations.



#### 4. Auditing

The company will perform annual independent financial audits about the annual accounts. The scope of the audits will include the review of ALMAR's operations, transactions, books and records to prove that financial statements at year-end comply with accounting standards and policies applicable and that represents a true and fair view of the company. For the purpose of the financial audits, the company will engage to reputable companies, being preferable a company member of the denominated Group "Big Four". The Audit Committee shall review the results of such audits and will report to the Board of Directors previous to the approval of the company Annual Accounts.

#### 8. How to evaluate what is acceptable?

One of the key aspects of FCPA and anti-corruption related due diligence investigations is the identification of "red flags" which may indicate the potential existence of a corruption problem. In connection with this, examples of potential "red flags" are included in Appendix 2 and, although no two situations are the same, the following guidance should be considered when identifying corrupt practices.

##### **A. How to evaluate what is 'acceptable'**

First, take a step back and ask yourself the following:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If you find it difficult to answer one of the above questions, there may be a risk involved which could potentially damage ALMAR's reputation and business and the action could well be unlawful.

##### **B. What is never acceptable**

Circumstances which are never permissible include examples that involve:

- A 'quid pro quo' (offered for something in return).
- Gifts in the form of cash/or cash equivalent vouchers.
- Entertainment of a sexual or similarly inappropriate nature.

In addition, as a general rule, ALMAR's Employees and Third Parties should not provide gifts to, or receive them from, those meeting our definition of a Government Official. This is not acceptable even if it is a cultural norm in certain countries. If you are operating in a country outside of Europe where gift giving and receiving with Government Officials is a cultural norm, please consult with the CCO and follow their instructions before proceeding.



### **C. What is usually acceptable?**

Possible circumstances that are usually acceptable include:

- Modest/occasional meals with someone with whom we do business.
- Gifts of Nominal Value, such as pens, or small promotional items.

A variety of cultural factors such as customs, currency and expectations may influence the level of acceptability. If you feel uncertain at any time regarding cultural acceptability of gifts, entertainment or hospitality, please consult the CCO. In addition, if an example does not fall under the above categories, please in the first instance seek guidance from the CCO. Generally, such examples would not be permissible without prior approval.

### **9. Relationships with Government Officials**

The guiding principles of ALMAR in its relationships with Government Officials are honesty and transparency and to behave in accordance with the laws and the ALMAR Code of Conduct.

ALMAR Employees who treat with Government Officials must keep all the documents exchanged, including the data and decisions made.

Likewise, it is advisable that: (i) at least two people from ALMAR attend meetings with Government Officials; and (ii) the attendees draft minutes after meetings held with officials.

ALMAR will ensure that the steps taken by its local partners with Government Officials are carried out subject to the principles and prohibitions set forth in this Policy.

### **10. Risk assessment and effective internal control**

Everyone at the company shall put their efforts to prevent bribery and corruption. In such duty, the following steps can assist:

#### **A. Risk assessment**

Effective risk assessment lies at the very core of the success or failure of this Policy. Risk identification pinpoints the specific areas where we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region – any of which can vary. Management must assess the vulnerability of each business unit to these risks on an ongoing basis, subject to review by the CCO.

Risk assessment is intended to be an ongoing process with continuous communication between Management and the CCO.



## **B. Effective monitoring and internal control**

Our businesses must all maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed within a comprehensive control and monitoring program in order to help mitigate these risks on an ongoing basis.

The CCO must ensure that Management engages in effective risk assessment and implements the necessary steps to prevent bribery and corruption. As these steps will vary by geography and business unit, the Management should consult with the CCO who will provide guidance for the identification, mitigation and monitoring of these risks.

### **11. Education and Training**

#### **A. Frequency and Participation**

The CCO will conduct or arrange for anti-corruption training sessions to be provided to Personnel at all major Company office and work locations periodically. Appropriate attendees shall be identified by the CCO using a risk analysis, and attendance by those identified to such training sessions shall be mandatory. Failure of these designated Personnel to attend training sessions may result in disciplinary action according to the applicable labor laws and regulations –i.e. any Laws, legislation, rules, national collective bargaining agreements, company level agreements, etc. that apply to ALMAR in each country where it provides services–, as a consequence of the breach by these designated Employees of the Company’s orders and instructions. Those who work in areas within our business identified as being particularly high risk will receive additional training and support in identifying and preventing corrupt activities.

#### **B. Scope of Training**

Training sessions conducted pursuant to this Policy shall cover its content and the procedures detailed in it, and Personnel shall have the opportunity to ask questions and have one-on-one discussions with the trainers or CCO if requested.

### **12. Reporting Obligations**

All ALMAR Personnel must report any knowledge, awareness or reasonable suspicion of a potential violation of the Applicable Anti-Corruption Laws or the Policy to their supervisor or the CCO following the instructions set forth in section 20 of the Code of Conduct. Employees may also report such concerns directly to any senior executive, or any member of the Company’s Board of Directors.

In the event you do not feel comfortable reporting such information directly, the Company maintains an anonymized email address to which you can make such reports anonymously using the steps below. Emails sent to this email address have their sender information automatically removed, prior to deliver to the CCO.



The steps to send an anonymous email are the following:

- (a) Enter to <https://outlook.office365.com>
- (b) Insert username: **compliance@almarwater.com**
- (c) Enter password: **87654321**
- (d) Direct the email to: **complianceassurance@almarwater.com**

ALMAR guarantees the absence of retaliation or adverse consequences to those who, in good faith, make use of the reporting channels provided by ALMAR.

### **13. Periodic Certification**

As set out in the Code of Conduct, the Company will seek to obtain, on an appropriate schedule as determined by the CCO, a certification of compliance with this Anti-Corruption Policy, from all Employees. The certificate that must be signed by directors, officers and employees of the Company is included as Appendix 3 of this Policy. The certificate that must be signed by Third Parties is included as Appendix 4 of this Policy

### **14. Revision to this Policy**

Compliance with this Policy will be constantly and continuously monitored by the CCO. The CCO will provide advice and guidance to staff on the guidelines and principles included in this Policy.

The Board of Directors is responsible for approving the modifications that are intended to be made to it in order to update, improve or adapt its forecasts to legal requirements, to the highest standards and good ethical practices or to new needs that may be detected.



ALMAR WATER SOLUTIONS, B.V.

Form 1

Gift Approval/Report Form

Please check all that apply:

- Recipient of Gift
- Provider of Gift
- Participant in Outing
- Host of Outing

Notification of Business Outing or Entertainment Report

Employee Name: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Provider or Recipient and Company: \_\_\_\_\_

Event and Date: \_\_\_\_\_

In attendance: \_\_\_\_\_

Approximate Value: \_\_\_\_\_

Relationship/Purpose: \_\_\_\_\_

Notification of Gift Received/Provided

Employee Name: \_\_\_\_\_ Date: \_\_\_\_\_

Gift Received From or Provided to (Name of Person & Company): \_\_\_\_\_

Description of Gift: \_\_\_\_\_

Gift Addressed To: \_\_\_\_\_



Date Gift Received: \_\_\_\_\_

Gift Value: \_\_\_\_\_ Gift Disbursement: \_\_\_\_\_

COMPLIANCE

NOTES APPROVED: \_\_\_ YES \_\_\_\_\_ NO

By: \_\_\_\_\_ Date: \_\_\_\_\_

Notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



## **Appendix 1: Summary of main applicable provisions of the FCPA, UKBA and SCC.**

### **1. Offences**

#### **A. FCPA**

Anti-Bribery Provisions. The Company's officers, directors, employees, contractors, consultants, and other agents representing the Company may not corruptly offer to, promise to, or provide cash or anything of value to any foreign official, foreign political party or party official or any candidate for foreign political office in order to influence an act or decision that will assist the Company in obtaining or retaining business or in directing business to anyone else. A payment or offer is corrupt if it is made intentionally and voluntarily with the intention of causing conduct that is prohibited by the FCPA. The term anything of value is broadly construed and includes but is not limited to gifts, entertainment and political contributions.

A foreign official means any officer or employee of a non-U.S. government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or all levels of federal, state, provincial, county, municipal and similar officials of any government outside the United States and also includes all levels of officials of any commercial enterprise owned, controlled, or operated by a government other than the United States, such as a national oil or energy company.

Record-Keeping and Accounting Provisions. Companies whose securities are publicly traded on U.S. exchanges are required to keep accurate books and records in reasonable detail and to maintain a reasonable system of internal controls. The record-keeping and accounting provisions apply to all payments, regardless of the size or type of payment. Although the Company is not listed on a U.S. exchange, all personnel are expected to comply with the FCPA's record-keeping and accounting provisions.

#### **B. UKBA**

The UKBA could apply to the Company to the extent that its operations or their associated financing were connected in any manner to the U.K. U.K. citizens and nationals also are directly subject to the UKBA. Given the Company's operations, operational breadth and its management philosophy, it should be assumed that the UKBA applies to all the Company operations and personnel. As such, all Personnel must abide by the UKBA.

The UKBA makes it a criminal offence:

- (a) to directly or indirectly through third parties offer, promise, or give any financial or other advantage to any person in order to induce any person to improperly perform a public or private function or to reward the improper performance of a public or private function, or where the



- offer or, promisor or giver knows or believes that acceptance of the bribe would constitute improper performance of a public or private function;
- (b) to directly or indirectly request, agree to receive, or accept any financial or other advantage in the context of public or private functions;
  - (c) to directly or indirectly offer, promise or give any financial or other advantage to a foreign public official in order to influence the official in his official capacity and to obtain or retain business or an advantage in the conduct of business; and
  - (d) for a commercial organization (which may be a company incorporated in the U.K. or a company incorporated elsewhere that carries on business, or part of a business, anywhere in the U.K.) if it fails to prevent a person or entity that performs services for or on behalf of the company from committing bribery (i.e., any of offenses (a)-(c) above) with the intention of obtaining or retaining business, or an advantage in the conduct of business for the company.

A foreign public official means anyone who holds a legislative, administrative or judicial position, whether elected or appointed, an official or agent of a public international organization, and anyone who exercises a public function for a foreign country or its public agency. Therefore this will likely include an officer or employee of a national oil or energy company.

The UKBA broadly applies to all U.K. companies, nationals and those ordinarily resident in the U.K. (regardless of nationality); in many cases even when the act or omission in question took place outside of the U.K. However, offence (d) is more broadly drafted so that a non-U.K. company that conducts even just “part of its business” in the U.K. must adhere to the UKBA.

A public official is defined broadly and includes, but is not limited to: any person who holds a legislative, administrative or judicial office in a foreign country, both by appointment or by election; any person who exercises a public duty for a foreign country, including a public body or a public company; and any officer or agent of an international public organization.

### **C. Spanish Criminal Code**

The SCC may apply to ALMAR as long as it operates in Spain or its operations are somehow linked to Spain. Spanish citizens and nationals also are directly subject to the SCC. As in the previous case, given the Company’s operations, operational breadth and its management philosophy, it should be assumed that the SCC applies to all the Company operations and Employees. As such, all Personnel must abide by the SCC.

Below a summary of the main criminal offences related to corrupt practices punished under the SCC:

- (a) Bribery in the private sector:
  - a. to directly or through an intermediary, receive, request or accept an unfair benefit or advantage of any nature as consideration for unduly favoring another in the acquisition or sale of goods or in the hiring of professional services, or in business relations.



- b. to directly or indirectly through an intermediary promise, offer or grant an unfair benefit or advantage of any nature in order to obtain an undue favor in the acquisition or sale of goods, hiring of services, or in business relations.
  
- (b) Bribery in international transactions: to offer, promise or grant any undue pecuniary or other kind of benefit or advantage, in order to corrupt an authority or public official or to attend to their requests in this regard, in order for them to exercise or refrain from exercising their public functions to obtain or maintain a contract, business or another competitive advantage in the framework of international economic transactions;
  
- (c) Bribery of government officials: to offer or give a gift or remuneration of any kind to an authority or public official in order for them to exercise or refrain from exercising their duties;
  
- (d) Trading in influence: to influence a public official or authority taking advantage of their personal relationship with them in order to obtain a decision that may generate a financial benefit; and
  
- (e) Illegal financing of political parties: to give donations or contributions aimed at a political party, federation, coalition or group of electors, in breach of the Organic Act 8/2007, of 4<sup>th</sup> July, on the financing of political parties.

## **2. Penalties and Sanctions**

### **A. FCPA Anti-Bribery Provisions**

Companies that violate the FCPA anti-bribery provisions may be subject to a fine of up to \$2,000,000, or an alternate fine that could be much greater. Individuals who violate the FCPA anti-bribery provisions may be sent to prison for up to five years and are subject to a fine of up to \$100,000, or an alternate fine that could be much greater.

### **B. U.K. Bribery Act**

Individuals who violate the UKBA may be sent to prison for up to ten years or be subject to an unlimited fine and companies that violate the UKBA may be subject to an unlimited fine. Where any member of the Company is convicted of any of the offenses under (a) to (c) described above and a senior officer is shown to have consented or connived in the commission of the offense, such officer will be guilty of underlying offense and subject to penalties as an individual.

### **C. Spanish Criminal Code**

Under the SCC, individuals and legal entities who commit bribery or corruption offences may be punished as follows:



- (a) Bribery in the private sector with a prison sentence of up to four years for individuals and for legal entities a fine of up to five times the benefit obtained.
- (b) Bribery in international transactions with a prison sentence of up to six years for individuals and for legal entities a fine of up to five times the benefit obtained.
- (c) Bribery of government officials with a prison sentence of up to six years for individuals and for legal entities a fine of up to five times the benefits obtained in the transaction.
- (d) Trading in influence with a prison sentence of up to two years for individuals and fines to the discretion of the judge.
- (e) Illegal financing of political parties: with a prison sentence of up to 4 years and a fine, and for legal persons a fine of up to five times the amount of the donation or contribution.

Moreover, at the discretion of the judge, a Spanish court could impose for the abovementioned offences the following penalties to legal entities: (a) liquidation of the legal person; (b) temporary suspension of the company's activities; (c) temporary closure of the company's premises; (d) temporary or permanent ban to carry out the activities that were being carried out when the criminal offence was committed; (e) temporary disqualification from obtaining public subsidies and/or from public procurement; (f) temporary judicial intervention in the management of the company.



## Appendix 2: Red Flags of corrupt practices

The following “Red Flags” are among the factors that can raise suspicion:

- i. The contracting party has a history of improper payment practices;
- ii. The transaction or the contracting party is in a country where there is widespread corruption or has a history of bribes and kickbacks (Transparency International maintains a corruption index that is a useful resource <http://www.transparency.org/research/cpi/>);
- iii. The transaction or the contracting party is involved in or with an industry that has a history of FCPA violations and/or corruption;
- iv. The contracting party refuses to agree to comply with the Applicable Anti-Corruption Laws or equivalent applicable anti-corruption legislation or this Policy;
- v. The contracting party has a family or business relationship with a foreign Government Official;
- vi. The contracting party has a poor business reputation;
- vii. The contracting party insists that its identity remain confidential or refuses to divulge the identity of its owners, directors, or officers;
- viii. A government customer recommends or insists on use of a particular intermediary or consultant;
- ix. The contracting party relies on political/government contacts as opposed to knowledgeable staff and investment of time to promote company interests;
- x. The contracting party does not have offices or a staff;
- xi. The contracting party does not have significant experience;
- xii. The contracting party insists on unusual or suspicious contracting procedures;
- xiii. The fee or commission to be paid to the contracting party is unusually high;
- xiv. The payment mechanism to be utilized is secretive or unusual;
- xv. The contracting party submits inflated or inaccurate invoices;
- xvi. The contracting party requests that the Company prepares false documentation;
- xvii. The contracting party requests cash or bearer instrument payments;
- xviii. The contracting party requests payment in a jurisdiction outside its home country that has no relationship to the transaction or the entities involved in the transaction;
- xix. The contracting party asks that a new customer be granted an excessive credit line;
- xx. The contracting party requests unusual bonus or special payments; and
- xxi.** The contracting party requests an unusual advance payment.



**Appendix 3**

**Anti-Corruption Policy**

[DATE]

**CERTIFICATE OF ANTI-CORRUPTION COMPLIANCE**

I, \_\_\_\_\_, do hereby certify that I have received a copy of the ALMAR WATER SOLUTIONS (“ALMAR” or the “Company”) Anti-Corruption Policy (the “Policy”) and that I understand the provisions of the Policy, and the other Applicable Anti-Corruption Laws (as defined in the Policy), and agree to comply with those provisions and to take no action that might cause the Company to be in violation of the Applicable Anti-Corruption Laws, the Policy, or the laws of other countries that prohibit the same type of corrupt or improper actions. As a part of my compliance, I agree among other things not to improperly influence, or attempt to improperly influence, any of my relatives, current or former business associates, colleagues, friends, or anyone with whom I am or become acquainted who is a government official (as defined in the Policy).

I further hereby certify that I am not aware of any action I have taken in connection with my ownership and/or control of, or employment by the Company in the past that could cause the Company to be in violation of the Applicable Anti-Corruption Laws or the laws of other countries that prohibit the same type of corrupt or improper actions. I further hereby certify that to the best of my knowledge and belief: (A) neither I nor any other Company employee or representative has offered or provided any payment or thing of value to any government official (as defined in the Policy); and (B) neither I nor any other Company employee or representative has engaged in any prohibited conduct or behavior within the meaning of the Applicable Anti-Corruption Laws, the Policy, or the laws of other countries that prohibit the same type of corrupt or improper actions except as disclosed below. NOTE: (If no disclosures are required, please indicate by inserting “None” in the space below. If additional space is required please attach an additional sheet.)

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Questions regarding this form or the Applicable Anti-Corruption Laws, the Policy, or the laws of other countries that prohibit the same type of corrupt or improper actions should be addressed to the Corporate Compliance Officer.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



**Appendix 4**

**Anti-Corruption Policy**

**FOREIGN ANTI-CORRUPTION THIRD PARTY CERTIFICATE OF COMPLIANCE**

**[Date]**

I, \_\_\_\_\_, a duly authorized representative of (Partner/Service supplier) do hereby certify on behalf of (Partner/Service provider) that (Partner/Supplier provider) has received a copy of the ALMAR WATER SOLUTIONS B.V. (“ALMAR” or the “Company”) [Third Parties Ethics Code] (the “Code”) and that I understand the provisions of the Code, the U.S. Foreign Corrupt Practices Act of 1977, as amended (“FCPA”), the U.K. Bribery Act of 2010 (“UKBA”), and the other Applicable Anti-Corruption Laws (as defined in the Code).

I further certify on behalf of (Partner/Service provider) that (Partner/Service provider) understands and agrees to comply with those provisions and to take no action that might cause the Company to be in violation of the Applicable Anti-Corruption Laws, the Code or the laws of other countries that prohibit the same type of corrupt or improper actions.

I further hereby certify that I am not aware of any action that I or any individual or entity associated with (Partner/Service provider) have taken that could cause the Company to be in violation of the Applicable Anti-Corruption Laws or the laws of other countries that prohibit the same type of corrupt or improper actions.

I further hereby certify that to the best of my knowledge and belief that: (A) neither I nor any other individual or entity associated with (Partner/Service provider) has promised, offered or given any payment or thing of value to any government official (as defined in the Policy); and (B) neither I nor any other individual or entity associated with (Partner/Service provider) has engaged in any prohibited conduct or behavior within the meaning of the Applicable Anti-Corruption Laws, Code, Policy, or the laws of other countries that prohibit the same type of corrupt or improper actions except as disclosed below.

I further hereby certify that no individual or entity associated with (Partner/Service provider) that has performed or will perform work in connection with the Company has been identified in connection with, or been the subject of, any internal or external review, audit, investigation, or litigation relating to fraud, corruption, moral turpitude, or conduct that might, if proven true, constitute a violation of the Applicable Anti-Corruption Laws.

NOTE: (If no disclosures are required, please indicate by inserting “None” in the space below. If additional space is required please attach an additional sheet.)

\_\_\_\_\_  
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Questions regarding this form or the Applicable Anti-Corruption Laws, the Code, or the laws of other countries that prohibit the same type of corrupt or improper actions should be addressed to the Corporate Compliance Officer.

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Signature

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Date