
1 Introduction

MWH Treatment Limited (the “Company”) is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, the Company has adopted this Anti-Corruption, Anti-Money Laundering and Trade Control Compliance Policy (the “Policy”), which is applicable to all directors, officers, employees, agents, representatives and other associated persons of MWH Treatment Limited and MWH Farrer Limited and any of their wholly owned subsidiaries and holding companies (collectively “Company Personnel”).

In brief, the Company will not tolerate bribery, kickbacks, or corruption of any kind, directly or indirectly through third parties. Company Personnel are not permitted to give or offer anything of value (including gifts, meals, entertainment, travel or lodging) to anyone for the purpose of improperly obtaining or retaining a business advantage. Similarly, Company Personnel may not solicit or accept such improper payments. The purpose of this policy is to ensure the Company conducts business in accordance with high ethical, moral, and legal standards, and in the best interests of the Company, and its employees and other stakeholders. The Company maintains business practices that will earn the respect of everyone with whom we conduct business.

Furthermore, it is the Company’s policy to comply in all respects with trade sanctions and export control laws and regulations of the United Kingdom, the United States and the other jurisdictions where the Company operates. For example, the Company and Company Personnel may not transact business directly or through agents or distributors with persons in Cuba, Iran, North Korea, Syria, or the Crimea region. Additionally, there are a number of individuals elsewhere in the world listed on targeted sanctions lists with whom the Company and Company Personnel are prohibited from transacting business by applicable sanctions laws.

This Policy and the internal controls herein have been designed to prevent such violations from occurring, avoid the appearance of wrongdoing and enable the Company to respond promptly and effectively to any inquiries about its conduct. Company Personnel who violate this Policy may be subject to disciplinary action, up to and including termination. The pages that follow provide a general guide to anti-corruption compliance but do not address every potential scenario that may implicate issues bearing on compliance with this Policy. Therefore, any Company Personnel who have any questions concerning the requirements of this Policy should consult with the Finance Director, who the Company has designated as the Company’s compliance-responsible officer.

2 Anti-Corruption

2.1 Company Personnel shall not be permitted to pay or receive bribes.

Company Personnel must conduct their activities in full compliance with this Policy and any applicable anti-corruption laws, including the UK Bribery Act of 2010, as amended,

and the U.S. Foreign Corrupt Practices Act of 1977, as amended (“FCPA”), as well as any other applicable financial recordkeeping and reporting regulation and any other anti-corruption laws in effect in the jurisdictions where the Company conducts business. Under this Policy, Company Personnel are not permitted to give or offer anything of value, directly or indirectly, to any Government Official¹ or any commercial party for the purpose of improperly obtaining or retaining a business advantage. “Anything of value” should be broadly interpreted to include cash, gifts, forgiveness of a debt, loans, personal favors, entertainment, meals and travel, political and charitable contributions made at the direction of another, business opportunities and medical care, among other items. This restriction includes a prohibition on providing such items to friends and family of Government Officials or commercial parties. Simply put, bribes, kickbacks or similar payments are never permitted, whether made to a Government Official or to customers, investors, clients or other private parties. Similarly, Company Personnel may never offer, solicit or accept such payments.

If confronted with a request or demand for an improper payment or other violation of this Policy, the request or demand must be immediately rejected and reported to the Company’s Finance Director. Similarly, if any Company Personnel knows or believes that an improper payment has been or will be made, the Company Personnel must also report such payment to the Company’s Finance Director. No adverse employment action will be taken against any Company Personnel in retaliation for, honestly and in good faith, reporting a violation or suspected violation of anti-corruption laws or this Policy.

2.2 Gifts, Meals, Entertainment and Employment

Set forth below are various rules relating to gifts, meals, entertainment and employment. All such expenditures must be recorded accurately in the books and records of the Company, in accordance with Section 6, below.

Gifts, meals and entertainment should never be offered as a means of influencing another person’s business decision. Each should only be offered if it is appropriate, reasonable for promotional purposes, offered or accepted in the normal course of an existing business relationship, and if the primary subject of discussion or purpose is business. The appropriateness of a particular type of entertainment, depends upon both the reasonableness of the expense and on the type of activity involved. This is determined based on whether or not the expenditure is sensible and proportionate to the nature of the individual involved. Adult entertainment is strictly prohibited.

You may not solicit, accept or offer gifts, favours, entertainment (including tickets to sporting, cultural events etc.), hospitality (including meals, beverages, etc.), travel, preferential treatment, or other things of value from or to any person or entity that does business or seeks to do business with the Company, except as outlined in this policy.

¹ The term “Government Official” includes all officers or employees of a government department, agency or instrumentality; permitting agencies; customs officials; candidates for political office; and officials of public international organizations (e.g., the Red Cross). This term also includes officers or employees of government-owned or controlled commercial enterprises such as state-owned or controlled universities, airlines, oil companies, health care facilities or other vendors. The term also includes family members and close associates of such individuals (e.g., it is not permissible to give a lavish gift to the sibling, spouse or child of a government employee if a gift to the individual would be prohibited under this Policy).

2.2.1 Gifts, Meals and Entertainment

The Company competes for and earns business through the quality of its personnel, products and services, not with gifts, meals or entertainment.

The use of Company funds or assets for gifts, gratuities, or other favors to Government Officials or any other individual or entity (in the private or public sector) that has the power to decide or influence the Company's commercial activities is prohibited, unless all of the following circumstances are met.

- a) the gift does not involve cash or cash equivalent gifts (e.g., gift cards, store cards or gambling chips);
- b) the gift, meal or entertainment is permitted under both local law and the guidelines of the recipient's employer;
- c) the gift, meal or entertainment is bona fide and related to a legitimate business purpose and without any expectation of reciprocation or consideration as a result of the offer;
- d) the meal or entertainment event where offered must be attended by appropriate Company Personnel (*Similarly, where approved, if receiving a meal or entertainment this must be attended by an employee of the organization making the offer to our Company Personnel*);
- e) the gift, meal or entertainment is presented openly with complete transparency;
- f) the gift, meal or entertainment is properly recorded in the Company's books and records;
- g) the gift, meal or entertainment is properly approved in accordance with this policy;
- h) the value of the gift, meal or entertainment is less than £200 (Two-hundred Pounds Sterling) ²;
- i) the aggregate annual value of all gifts, meals and entertainment provided to the particular recipient has not exceeded £1,000 (One-thousand Pounds Sterling); and
- j) the meal or entertainment does not include the cost of travel or accommodation (*Similarly, where approved, the Company will pay all travel and accommodation costs for Company Personnel attending events*);
- k) the gift, meal or entertainment is not offered, and does not occur, during a bidding period where members of the awarding organisation or organisations directly connected to the bid process are involved. This includes competitors or suppliers where the Company is considering bids for a subcontract. (*However, it may be appropriate to offer or accept entertainment to promote good working relationships between the Company and their direct partners in the bidding activity; for example, when forming a joint-venture or submitting a joint bid*); and
- l) if the recipient is a Government Official pre-approval has been obtained from the Chief Executive Officer. For the avoidance of doubt, the definition of Government Official includes employees of Scottish Water.

Entertainment includes hospitality where the offer is made to pay for attendance at events, such as, by way of example:

- Cultural or sporting events

² The Chief Executive Officer may approve exceptions to the £200 gift limit on a case-by-case basis.

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- Charity fundraising events
 - Professional institution or trade association social events
 - Conferences
 - Provision of Training
 - Project Celebrations
 - Meals of disproportionate value, for example in high-end hotels or restaurants
 - Christmas parties or company sponsored meals, for example a supplier BBQ
 - Golf days, fishing trips, 'experience' days and other leisure activities

Spouses or partners of Company Personnel may attend entertainment events where it is appropriate, and approval has been given by the Company.

When possible, business entertainment payments should be made directly by the Company to the provider of the service and should not be paid directly to a Government Official or other party as a reimbursement.

2.2.2 Additional Rules on Accepting Gifts

Promotional items

You may accept promotional gifts of nominal value branded with corporate identification (e.g., pens, keyrings, stationery or mugs) from customers, competitors, suppliers and business partners up to an aggregate value of around £10 without the need for approval under this policy.

Other gifts

Company Personnel must not accept, or permit any member of his or her immediate family to accept any gifts, gratuities or other favours from any customer, supplier or other person doing or seeking to do business with the Company that does not fall within the guidelines for promotional items.

Any gifts that does not fall within the guidelines for promotional items should be returned immediately and reported to the Finance Director. The gift must be returned. In exceptional circumstances if immediate return is not practical, the Finance Director will contact the Legal Department to determine and document how the gift will be dealt with such as for charitable disposition.

The Finance Director will keep a register of all gifts received and how the gift was dealt with.

For the avoidance of doubt:

- Gifts shall not be solicited or accepted from anyone outside of the Company for Company staff event prizes or charity events.
- You may not accept or offer cash (or cash equivalents, including prepaid credit cards, cheques, gift cards etc.) or loans under any circumstances.

Additional Rules on Refreshments at Business Meetings

If Company Personnel host or attend a business meeting with a customer, supplier, contractor, business partner or competitor it is acceptable to provide or receive beverages, a snack, light lunch or dinner incidental to the business meeting (or series

of meetings) to a value appropriate given the context of the business meeting. Approval is not required for such refreshments.

Care should be taken that the refreshment offered or accepted does not become excessive, where it may be seen as entertainment. Company Personnel may contact the Legal Department to seek advice or resolve a query regarding what is acceptable.

Requirement to Obtain Prior Approval

Strictly before offering or accepting gifts, entertainment or hospitality, the employee shall:

- Complete the Request Form: Gifts, Donations, Hospitality and Entertainment, see [BPFR09-01 Request Form for Gifts, Donations, Hospitality and Entertainment](#).
- Obtain the approval of their Line Manager (wet signature or by email will be acceptable), and
- Obtain the approval from a member of Senior Management³ (wet signature or by email will be acceptable), and
- Issue the completed Request Form to the Finance Director for retention.

If a member of Senior Management is making or accepting the offer, approval should be sought from another member of Senior Management.

Requirement to Record Business Entertainment Expenses

All business entertainment expenses, regardless of amount or attendees, should be properly documented in an expense report. For all meals and entertainment expenses, the expense report must identify total number of all attendees and their names, employer, and titles (if possible). All expense reimbursements must be supported by receipts, and expenses and approvals must be accurately and completely recorded in the Company's records. In all instances, Company Personnel must ensure that the recording of the expenditure associated with gifts, meals or entertainment clearly reflects the true purpose of the expenditure. Note that the provision of gifts, meals or entertainment, as well as the reporting requirements, in this Policy, apply even if Company Personnel are not seeking reimbursement for the expenses (i.e. paying these expenses out of your own pocket does not avoid these requirements).

2.3 Employment/Internships

On occasion, Government Officials or Company's business partners may request that the Company provide internships or employment to certain individuals. Offering internships or employment to Government Officials or Company's business partners may be viewed as providing an item of value. Guidance for handling such requests from Government Officials or Company's business partners is detailed below.

³ For the purpose of this policy Senior Management is strictly limited to the Chief Executive Officer, the Finance Director and the Director of UK Operations. **Only the Chief Executive Officer may approve exceptions to the £200 gift, meal and entertainment limit on a case-by-case basis. Only the Chief Executive Officer may approve a request if the recipient of the gift, meal or entertainment is a Government Official.**

Prior to a candidate being interviewed for an internship or employment, the Finance Director must be notified of the candidate's relationship to a Government Official or Company's business partner. The Finance Director will then advise any safeguards or other measure for handling the interview. Similarly, any subsequent offer must be pre-approved by the Finance Director.

2.4 Political Contributions

The Company does not make contributions to political parties or candidates.

2.5 Charitable Donations

The Company may not make charitable donations, whether in their own name or in the name of the Company, to obtain or retain business or to gain an improper business advantage.

The Company may make charitable donations where it is appropriate in supporting the communities in which we work and those who share our values. However, by making donations or offering sponsorship (e.g. by taking tables at charity dinners, offering prizes for raffles, or sponsoring conferences and events) any potential conflict of interest must be avoided. The Company only makes charitable donations that are ethical and legal under local laws and practices.

No charitable donations or sponsorships shall be offered or made without approval in accordance with this Policy, and additionally, with advance approval by both the Chief Executive Officer and the Finance Director. All charitable donations or sponsorships must be reported to the Finance Director. The Finance Director will keep a register of all charitable donations and sponsorships.

3 Sanctions

3.1 Overview

Economic sanctions are financial, trade, and travel-related restrictions and embargoes targeting individuals, companies, and countries. Sanctions may be imposed by governments (including the United States) or international organizations (such as the United Nations) and are generally designed to (1) penalize past conduct; or (2) compel the targeted individual, entity or country to change its current conduct. **The Company strictly prohibits violations of applicable economic sanctions and expects all Company Personnel to raise promptly any questions about the applicability of sanctions or about the screening procedures outlined in this Policy.**

3.2 Relevant U.S. Regulations

The Office of Foreign Assets Control ("OFAC") is an office within the U.S. Department of Treasury that has responsibility for administering, implementing, and enforcing economic sanctions. OFAC violations carry meaningful financial and possible criminal

penalties. OFAC administers three types of sanctions prohibit U.S. persons from engaging in business and other activities with certain individuals, entities, and countries.

Note: The list of countries subject to country-based sanctions is dynamic and subject to change. As such, Company employees should regularly consult with counsel to ensure they remain up to date in this area.

Note: Entities and individuals specifically targeted by OFAC’s List-Based Sanctions are included on OFAC’s Specially Designated Nationals and Blocked Persons List, which is available in a searchable tool online, at:

<https://sanctionssearch.ofac.treas.gov/>

These and other similar programs administered by OFAC also prohibit U.S. persons from “facilitating” activities with sanctioned persons or in sanctioned geographies that would violate OFAC sanctions if conducted directly by a U.S. person. In other words, a U.S. person may not assist or support another’s transaction as a means of avoiding or seeking a way around U.S. regulations.

Examples of prohibited facilitation include:

- Approving, financing, or providing transportation or insurance for transactions involving Embargoed Countries or Blocked Persons;
- Filling orders through a third party for Embargoed Countries or Blocked Persons; and
- Referring business requests from Embargoed Countries or Blocked Persons to a third party (e.g., a colleague or a competitor in a jurisdiction outside of the United States).

3.3 Relevant EU Regulations

Within the framework of the EU’s Common Foreign and Security Policy, EU sanctions are imposed through EU Regulations that have direct effect on all EU Member States. Each EU Member State has its own “competent authority” that is responsible for implementation of these sanctions by adopting local laws and regulations. Much like the United States, the European Council passes “restrictive measures” against countries, entities, or individuals. These restrictive measures include arms embargoes, travel bans, financial restrictions, and trade restrictions. Accordingly, it is important to ensure compliance with both European Union law and the local law implementing a European Union-level sanction. Violations of the EU sanctions can be a criminal offense.

The European Union maintains list-based sanctions to further the objectives of the EU’s Common Foreign and Security Policy, and to prevent the financing of terrorism. Persons or entities targeted by restrictive measures are included on the EU Consolidated List and are referred to as “Designated Persons.” Persons subject to European Union rules are required to freeze all funds and economic resources of persons included on the list, and are prohibited from making funds or resources available to them. There is some overlap between the U.S. Specially Designated Nationals List and the EU Consolidated List of Designated Persons, but the lists are not identical, and accordingly, it is necessary to monitor both lists.

3.4 Screening Procedures

In order to avoid violating the sanctions programs described above, Company Personnel will:

- Not deal directly or knowingly indirectly with persons in sanctioned geographies which requires personnel to exercise diligent efforts and common sense to be alert to red flags for such activity⁴;
- Before engaging with a new customer, supplier, vendor, or other trade counterparty, take reasonable steps to determine the owners of that company, and work with the Legal department to check that company and its owners against sanctions lists maintained by OFAC, and any other jurisdiction, including the EU, as outlined in the Company's Third Party Due Diligence Procedure as described below;
- When entering a new relationship with a distributor or re-seller, ensure that the party's contract with the Company includes appropriate geographic restrictions and documentary protections barring re-sale of Company products in a manner that would violate sanctions;
- Take reasonable steps, including vetting during the due diligence process, to ensure that the Company is not sourcing goods, labor, materials, or parts from sanctioned geographies; and
- Promptly report any suspicions, red flags, or observed wrongdoing to the Finance Director or via the reporting methods discussed in Section VII, below.

To summarize, Company Personnel should not transact business related to any sanctioned geographies, or with any sanctioned persons or companies. Company Personnel should be alert for and promptly elevate any questions or concerns relating to sanctioned persons or companies to the Finance Director who will discuss with the Legal Department.

4 Relationships with Third Parties

Anti-corruption laws prohibit indirect payments made through a third party, including giving anything of value to a third party while knowing that value will be given to a Government Official for an improper purpose. Sanctions regulations similarly prohibit using third parties to accomplish what the Company cannot directly—e.g., selling Company products or services to a sanctioned end user via a third-party distributor. Third parties can include, but are not limited to, distributors, re-sellers, consultants, vendors, agents, or any other individual or entity working on behalf of the Company. Company Personnel should avoid situations involving third parties that might lead to a violation of this Policy.

The Company does not use third parties to assist in the selling of our products or services.

⁴ For example, a purchaser has a billing address in the United Arab Emirates, but requests to use a delivery address in Iran; or, during a basic online search of a new distributor, Company Personnel develop a suspicion that the distributor is based in or has a meaningful presence in Cuba or another sanctioned geography.

5 Anti-Money Laundering

Company Personnel must comply with all applicable Anti-Money Laundering laws, including

- (i) the UK Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017; and
- (ii) Proceeds of Crime Act 2002; and
- (iii) equivalent laws of other countries as applicable.

6 Recordkeeping and Internal Controls

All expenditures made by the Company must be accurately reflected in the Company's financial records and all payments made with Company funds, or on behalf of the Company, properly authorized. Company Personnel must follow all applicable standards, principles, laws and practices for accounting and financial reporting. Company Personnel must be timely and complete when preparing all reports and records required by management. In particular, Company Personnel should ensure that no part of any payment is to be made for any purpose other than that which is fully and accurately described in the Company's books and records. Company Personnel should use best efforts to ensure that all transactions, dispositions, and payments involving Company funds or assets are properly and accurately recorded in the Company's financial records. No undisclosed or unrecorded accounts are to be established for any purpose. False or artificial entries are not to be made in the Company's books and records for any reason. Finally, personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

The Finance Director is primarily responsible for the oversight and enforcement of this Policy. The Company will conduct periodic audits of its books and records to monitor compliance with this Policy.

7 Training

As part of the Company's ongoing commitment to anti-corruption, anti-money laundering and sanctions compliance, all Company Personnel must receive and review a copy of this Policy. All such employees must then certify in writing that they

1. have reviewed the Policy;
2. agree to abide by the Policy; and
3. agree to report any potential violations of the Policy to the Finance Director.

In addition, the Company will offer regular anti-corruption, anti-money laundering and sanctions compliance training programs to new employees at the time of hire and to existing employees, on at least a biennial basis, to educate Company Personnel about the requirements and obligations of this Policy and related regulations and laws. All Company Personnel must participate in such training and the Head of People must retain attendance records establishing compliance with this requirement.

Furthermore, the Head of People will coordinate with the Human Resources department as necessary to ensure that a certification of compliance with this Policy is collected from Company Personnel on an annual basis. (See Exhibit A to this Policy).

8 Reporting Requirements and Whistleblower Protection

The Company takes its commitment to compliance very seriously and expects all Company Personnel to share that commitment. The Company therefore expects and requires that any Company Personnel who have knowledge of, or reason to suspect, any violation of this Policy contact the Finance Director, immediately. Reports may be made anonymously via the confidential Whistle Blowing line on **0844 892 4413**. Please see [MP85 Business Ethics - Whistle Blowing](#) for more information.

If any Company Personnel fails to report known or suspected violations, then the relevant Company Personnel may be subject to disciplinary action, up to and including termination.

It is the Company's policy that, if the report of known or suspected violations is made honestly and in good faith, no adverse employment-related action will be taken against any Company Personnel in retaliation for reporting a violation or suspected violation of anti-corruption, anti-money laundering or sanctions laws or this Policy.

All questions regarding this Policy should be directed to the Finance Director via email to ethics_compliance@mwhtreatment.com

ADOPTED: 30th September 2020



EXHIBIT A: FORM OF COMPANY PERSONNEL CERTIFICATION

**CERTIFICATION OF COMPLIANCE WITH ANTI-CORRUPTION, ANTI-MONEY LAUNDERING
AND TRADE CONTROL COMPLIANCE POLICY**

I certify that I have received, read and fully understand my obligations in connection with the Company’s Anti-Corruption, Anti-Money Laundering, and Trade Control Compliance Policy (the “Policy”).

I agree to comply with all the regulations, rules and policies and procedures contained within the Policy.

I agree to report any potential violations to the Finance Director.

I will participate in the Company’s anti-corruption, anti-money laundering and sanctions training on a periodic basis.

I understand that failure to comply with the Policy, and all applicable anti-corruption, anti-money laundering and sanctions regulations and laws in countries where the Company conducts business may result in immediate termination and prosecution, with penalties including fines and/or imprisonment.

Should I have any questions regarding the Policy or find any deviations or violations, I will contact the Finance Director.

Signature: _____

Name (print): _____

Department: _____

Date: _____

(Instructions: A signed certification shall be returned to the Human Resources Department and filed in the respective personnel file and refreshed annually.)