

	ANTI-BRIBERY & CORRUPTION POLICY	Version	2.0	Page	1 of 4
		Review By:	Board	Effective date:	29 June, 2016

FOREWORD

This policy sets out the general rules and principles to which we adhere. It will be communicated to all businesses and employees as well as relevant third-party representatives, contractors and other necessary individuals and entities (“Business Partners”). Those who work in areas within our business identified as being particularly high risk will receive training and support in identifying and preventing corrupt activities.

This policy explains the procedures through which Osmoflo 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 the following levels:

- As an employee or Business Partner, you are required to read and understand all aspects of this policy and abide by it
- Divisional Management are responsible for the compliance of business units within their division
- The Board will assist each business unit with continuous refreshing and reinforcing of this policy via application guidance and monitoring.

1. INTRODUCTION

It is Osmoflo policy to conduct business with a high level of integrity, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

Osmoflo 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 harms the societies in which these acts are committed and prevents economic growth and development.

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 most countries 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.

This policy has been adopted by the Board of Osmoflo and is to be communicated to everyone involved in our business to ensure their commitment to it. The Board 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 Business Partners. Any breach of this policy will be regarded as a serious matter by the company and is likely to result in disciplinary action.

2. WHAT IS BRIBERY AND CORRUPTION?

Bribery and corruption has a range of definitions in law, but the fundamental principles apply universally.

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

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.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly for their own benefit. 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. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks such as licences, 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.

	ANTI-BRIBERY & CORRUPTION POLICY	Version	2.0	Page	2 of 4
		Review By:	Board	Effective date:	29 June, 2016

3. WHAT IS A BRIBE?

Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a ‘quid pro quo’ – both parties will benefit. A bribe could be:

- the direct or indirect promise, offering, or authorization, of anything of value;
- the offer or receipt of any kickback, loan, fee, reward or other advantage;
- the giving of aid, donations or voting designed to exert improper influence.

4. WHO CAN ENGAGE IN BRIBERY OR CORRUPTION?

In the eyes of the law, bribery and corrupt behavior can be committed by:

- an employee, officer or director;
- any person acting on behalf of the Company (Business Partner);
- individuals and organizations where they authorize someone else to carry out these acts.

Acts of bribery and corruption will commonly, but not always, involve public or government officials. For the purposes of this policy, a government official could be:

- a public official, whether foreign or domestic, national or local;
- a political candidate or party official;
- a representative of a government-owned/majority-controlled/influenced organization;
- an employee of a public international organization (ie World Bank).

5. WHAT STEPS CAN WE TAKE TO PREVENT BRIBERY AND CORRUPTION?

We can take the following steps to assist in the prevention of bribery and corruption:

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 in which 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.

Osmoflo considers the greatest risks of bribery and corruption in the context of its business will occur in transactions with government entities in countries with a high likelihood of corruption. Reference shall be made to the Corruption Perceptions Index published by the non government organisation “Transparency International” (www.cpi.transparency.org) to assess which countries carry a high risk of potential corruptive practices. Where the size and nature of the transaction and the risk profile of the country in which the transaction takes place is high, Osmoflo shall require greater examination of the bona fides of its business partners and the potential corruption risks (refer “Use of Business Partners” below).

B. Accurate Books and Record-Keeping

Many serious global bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. We must ensure that we maintain accurate books, records and financial reporting and for all Business Partners working on our behalf. Our books, records and overall financial reporting must also be transparent. This, they must accurately reflect each of the underlying transactions. False, misleading or inaccurate records of any kind could potentially damage Osmoflo.

C. 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,

	ANTI-BRIBERY & CORRUPTION POLICY	Version	2.0	Page	3 of 4
		Review By:	Board	Effective date:	29 June, 2016

procedures can be developed within a comprehensive control and monitoring programme in order to help mitigate these risks on an ongoing basis.

6. WHERE DO THE BRIBERY AND CORRUPTION RISKS TYPICALLY ARISE?

Bribery and corruption risks typically fall within the following categories:

A. Use of Business Partners

Whilst the use of Business Partners can help us reach our goals, we need to be aware that these arrangements can potentially present Osmoflo with significant risks.

Risk can be identified where a Business Partner conducts business activities on Osmoflo's behalf, so that the result of their actions can be seen as benefiting Osmoflo. Business Partners who pose significant risks and act on Osmoflo's behalf must operate at all times in accordance with this policy. Local Management is responsible for the evaluation of each Business Partner relationship and determining whether or not it falls into this category.

Where risk regarding a Business Partner arrangement has been identified, Local Management must:

- evaluate the background, experience, and reputation of the Business Partner;
- understand the services to be provided, and methods of compensation and payment;
- evaluate the business rationale for engaging the Business Partner;
- take reasonable steps to monitor the transactions of Business Partner appropriately;
- ensure there is a written agreement in place which acknowledges the Business Partner's understanding and compliance with this policy and provides for appropriate sanctions should the Business Partner commit an act of bribery or corruption.

Osmoflo is ultimately responsible for ensuring that its Business Partners who pose significant risks are compliant with this policy as well as any local laws. Ignorance or "turning a blind eye" is not an excuse. As the Business Partner evaluation process will vary by business unit and type of Business Partner, Local Management should consult in the first instance with the Chief Executive Officer of Osmoflo who will make available guidelines, principles and methodologies for the evaluation and vetting of Business Partners.

B. Gifts, Entertainment and Hospitality

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they fall within reasonable bounds of value and occurrence.

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 Osmoflo's reputation and business. The action could well be unlawful.

Although no two situations are the same, the following guidance should be considered globally:

	ANTI-BRIBERY & CORRUPTION POLICY	Version	2.0	Page	4 of 4
		Review By:	Board	Effective date:	29 June, 2016

Never acceptable

Circumstances which are never permissible include examples that involved:

- 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

As a general rule, employees and Business Partners should not provide gifts to, or receive them from, those meeting our definition of a government official in section 3. However, we do understand that in certain countries gift giving and receiving with these individuals is a cultural norm. If you are faced with such a situation, please consult with the Chief Executive Officer of Osmoflo.

Usually acceptable

Possible circumstances that are usually acceptable include:

- Modest/occasional meals with someone with whom we do business
- Occasional attendance at ordinary sports, theatre and other cultural events
- Gifts of nominal value, such as pens or small promotional items

If an example does not fall under the above categories, in the first instance seek guidance from the Chief Executive Officer of Osmoflo. Generally, such examples would not be permissible without prior approval. A variety of factors such as customs, culture and currency may influence the level of acceptability.

C. Facilitation Payments

In many countries, it is customary business practice to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process. It may be that we need to obtain licences or permits faster than the normal course; or, we may need lawfully to import materials.

Despite this, facilitation payments as defined here are against Osmoflo’s policy. Osmoflo makes no distinction between facilitation payments and bribes – regardless of size or local cultural expectations, even if that is “how business is done”.

7. REPORTING BRIBERY AND CORRUPTION

Any perceived incidence of bribery or corruption in the context of Osmoflo business should be reported immediately to the Osmoflo Chief Executive Officer by email: Emmanuel.Gayan@osmoflo.com, with the headline “Bribery/Corruption Incident.”

8. IMPLEMENTATION

The Osmoflo Board of Directors shall refresh and reinforce this policy and its underlying principles and guidelines at least every two years, and directors and senior management shall sign compliance with the revised policy.



Emmanuel Gayan
Chief Executive Officer
Osmoflo