

ANTI-BRIBERY AND CORRUPTION POLICY

1. Objectives and General Principles

Nordic Water Products ("NWP") is committed to zero tolerance for unethical business behaviour. NWP believes that sustainable success in business is only possible where there is free and fair competition. Based on these fundamental principles and our legal obligations, NWP does not tolerate any form of corruption or bribery and the overall objective is to prevent any officer, director, agent or person performing services for our company, or in its name, from giving or receiving bribes of any kind.

2. Purpose

The purpose of this Anti-Bribery and Corruption Policy ("Policy") is to lay down the rules to be applied at NWP in order to prevent corruption in all activities under NWP's control. This Policy sets forth NWP's commitment to ensure that NWP and its business partners abide by local anti-bribery laws in the countries in which we operate by prohibiting corrupt and other improper payments in the conduct of NWP's international business.

Violations of this Policy will always be taken seriously and may lead to disciplinary action; in case of serious breaches up to and including termination of employment.

In addition, individuals violating anti-bribery laws may be fined and imprisoned as the result of criminal prosecution.

3. Scope

NWP requires that all employees at NWP and all third parties who conduct business on NWP's behalf act in compliance with this Policy.

In this policy third party means any individual or organisation you come into contact with during the course of your work for NWP, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives, officials and politicians and political parties.

This Policy covers all kinds of gifts, rewards and other benefits.

Benefits without financial value may be covered by the Policy. For example, this could relate to a membership of an exclusive club, a prestigious award or a benefit that, without having financial value, is valuable to the recipient (e.g. sentimental value).

4. Key Principles

NWP shall conduct its business in full legal compliance wherever it operates.

Bribery and any other form of corrupt business practice are strictly prohibited. Neither NWP nor anyone acting on NWP's behalf may accept, authorize, promise, offer or make available

any payments, gifts or other benefits that could influence or appear to influence business decisions or the actions or decisions of a public official.

NWP does not permit the making of facilitation payments to induce public officials to perform their duties.

NWP appreciates that the market practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

5. Risk Assessment

Risk assessments shall be carried out on a regular basis in order to accurately identify and prioritize the risks of corruption that NWP may face both in relation to specific countries and in relation to specific business partners. The risk assessments and the conclusions shall be accurately and appropriately documented.

6. Providing benefits

The initial determining factor of whether it is permitted to provide a benefit is the societal sector in which the recipient is employed or a contractor. This Policy divides these into two sections below.

Section 6.1 contains the strictest rules, providing that any benefits to recipients in this level are improper (for exercise of public authority and public procurement).

The rule in section 6.2 is the least strict (privately owned companies).

Some forms of benefits are always improper, irrespective of the level in which the recipient operates. These are discussed under section 6.3.

6.1 Benefits to those who exercise public authority or decide on public procurements

It is forbidden to provide, promise or offer a benefit to a person who exercises public authority or decides on public procurement.

To a society governed by the rule of law, it is of vital importance that the exercise of public authority and public procurements take place without improper influencing. Benefits provided to people in those positions are always prohibited.

In order for the benefit to be improper, it is not necessary that it has been given to the individual actually deciding on the exercise of public authority or the public procurement. The benefit might also be given to someone close to that person, e.g. a relative.

If the recipient has indirect influence over the decision, by either preparing or reporting on the matter, and the purpose of the benefit is to influence a decision or measure in the exercise of public authority or public procurement, then the provision of the benefit may be criminal under the provisions on trading in influence.

Section 6.2 applies to employees and contractors that do not exercise public authority, e.g. individuals who work in administration and service at bodies who exercise public authority or manage public procurements.

6.2 Benefits to employees or contractors in private companies

NWP may provide, promise or offer a benefit to employees or contractors of privately owned companies if:

1. it is done overtly,
2. the benefit is moderate, and
3. the benefit is not otherwise of such nature that it could be deemed to influence behavior, i.e. influences or risks influencing the recipient's decision or the manner in which he/she carries out his/her work tasks.

The general starting point is that a benefit is permitted if it is moderate and is provided overtly. In foreign situations what is locally deemed as accepted forms of interactions on the market must be observed, e.g. the value of a dinner abroad may be higher than in Sweden without it being improper.

Overtness

The requirement of overtness means that a benefit normally should be directed to the other company or be approved by NWP.

Moderate

The requirement that the benefit shall be moderate means that the benefit must not appear to be influencing the recipient's behavior. Thus, the financial or sentimental value of the benefit shall be put in relation to the importance of the employee's integrity and susceptibleness to influence, in which factors such as position, work tasks, age and experience can form part of the overall assessment. Accordingly, what is moderate or not moderate is dependent on the giver as well as the recipient. Further, it is dependent on the company and business sector. Local practices must also be taken into account when determining what is moderate.

If several benefits are offered to the same employee or contractor, these benefits shall be considered together. A benefit that is itself moderate is not considered moderate if it, together with other benefits directed at the same recipient increases the risk of influencing the recipient in his/her carrying out of work tasks or assignments.

Events

In general, it is less likely for an offer to be deemed improper if it is aimed at a wide group of people in the other company than if a corresponding offer is aimed at a limited group. An event that is aimed at a wider group of people, and which is useful in carrying out the recipient's work tasks and is otherwise not extravagant, is thus typically permitted.

Red flags

We shall observe particular caution if:

- the benefit has high value or is provided frequently,
- the employee or contractor is offered products or services that can be for private use,
- the benefit is provided concurrently with business negotiations with the recipient's employer or principal,
- the benefit (of an event nature or the like) is directed at specifically chosen individuals,
- the benefit is not known by the recipient's superior,
- the benefit is initiated by the recipient,
- the benefit deviates from generally accepted forms of interactions on the market, or
- the benefit includes also an invitation to accompanying people, e.g. a relative or friend.

6.3 Improper forms of benefits

We may not provide, promise or offer a benefit to employees or contractors of another company or public entity if the benefit relates to, for example:

4. monetary gifts, gift cards and the like that could be considered as cash equivalents,
5. monetary loans, providing of security (guarantees), waivers of claims, repayments or interest and the like, on terms that are not market terms,
6. work for the recipient or delivery of goods or services for private use and on terms that are not market terms,
7. benefits conditional on the recipient performing something for the provider and that is not approved by the employer or principal,
8. covert commissions to employees or contractors (i.e. other entities than NWP),
9. access to vehicle, boat, holiday home or the like for private use,
10. wholly or partially paid entertainment or holiday trip, or
11. offer that is perceived as generally unethical, e.g. strip club visits.

The benefits enumerated in this section are benefits that are in and of themselves improper. Thus, there is no need for a specific review of whether the benefit is improper. The list above is not exhaustive. The ethical reasons that form the rationale for the prohibition on the above benefits could apply to other similar benefits. A review must be made on a case-by-case basis.

6.4 Accepting benefits

The provision of this Policy on NWP's possibility to provide benefits applies also to what we may permit their employees and contractors to accept as benefits. NWP should procure that our employees or contractors report benefits that are at risk of deviating from this Policy.

If the employee or contractor considers a benefit to potentially be improper, he/she shall either directly reject it or – prior to accepting it – refer the decision to the management or its representatives.

In unforeseen or suddenly arisen situations, where a direct rejection of the benefit is not possible as it could damage the relations between the companies, the benefit shall as soon as the circumstances permit be declared to the recipient's employer or principal for its knowledge and its processing.

7. Agents and other cooperation partners

NWP shall have knowledge of, and when needed, perform a due diligence review and verify the integrity of agents and other cooperation partners before agreements are executed or other forms of cooperation commenced.

Agents and other cooperation partners are referred to in this Policy as "Partners".

Working with partners is an efficient and in many cases necessary way of developing, increasing and maintaining our operations. If these partners are not selected carefully or if they act in improper ways, this can cause material damage to a NWP's goodwill and entail legal liability for NWP and its representatives. Both Swedish and foreign anti-bribery legislation require that companies undertake sufficient due diligence reviews of people and companies that will represent the company. If the reviews are not sufficiently thorough considering the circumstances, criminal liability may arise, e.g. for negligent financing of bribery.

Red Flags

The need to verify the integrity of a partner is particularly important if:

- the partner is an agent and shall be compensated with, from the perspective of the agent, a non-trivial commission,
- the partner will be granted far-reaching authority to act on behalf of NWP,
- the partner will be granted monetary advances,
- the partner demands unusually large compensation in relation to the work to be performed,
- the partner operates in a sector or geographical area permeated by corruption,
- the partner wishes that payments shall be made to third parties, in cash or to a country other than that where the partner operates,
- the partner has been recommended by a decision maker of a public entity,
- the partner grants unusually large or frequent contributions to politicians,
- that which makes the partner qualified is his influence over decision makers of public entities, or
- the selling of NWP's products or services comprises a large portion of the partner's business.

The thoroughness of the review should be based on a risk assessment in which factors such as the nature and size of the transaction, the level of corruption in the relevant sector and geographical area, the partner's interactions with public entities and publicly owned companies etc.

If, at such initial review, circumstances come to light that give cause to question the partner the review shall be carried out more in depth and the scope broadened. An expanded review should include an analysis of the partner's ownership structure, background, qualifications, technical and financial standing.

Agreements with partners should, when it is not unnecessary, provide that the partner undertakes not to provide improper benefits and that NWP may terminate the agreement if the partner does provide such benefits.

8. Exceptions

Giving or accepting benefits in conflict with this Policy may be permitted if it has been approved in advance by a representative of NWP with appropriate authority.

9. Communication and Training

All employees within NWP shall receive information on this Policy. Employees working in higher risk functions, such as within customer or vendor facing roles, e.g. sales, marketing and procurement, employees having contact with public officials, e.g. plant managers, environmental officers and project managers and employees working in high risk countries or where it is otherwise relevant shall also participate periodically in appropriate training sessions.

10. Monitoring, Evaluation and Review

It is the responsibility of each manager within NWP to ensure that its employees are informed, understand and adhere to this Policy.

The observance of this Policy shall be regularly evaluated by NWP.

The content of this Policy shall be reviewed on a regular basis in order to ensure that the rules set out herein remain appropriate and in order to determine whether further guidance is needed. NWP reserves the right to amend this Policy at any time.

NWP shall provide its employees with secure and accessible channels through which they may raise concerns and report violations of this policy in confidence without risk of retaliation.

Issued by

NORDIC WATER PRODUCTS AB

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