

# Anti-Corruption Policy

Version 2.00

<b>Policy</b>	<b>Divisions</b>	All WT Global	
	<b>Location(s)</b>	N/A	
	<b>Old Document Number</b>	N/A	

	Name	Title
<b>Governance Owner</b>	Vince Grieco	SVP – General Counsel & Secretary
<b>Department</b>	Legal	
<b>Sub-Department</b>	Compliance	
<b>Related Business Manager</b>	Carl Boyd	Ethics & Compliance Manager

<b>Impacted Areas</b> N/A
<b>Special Notes/Instructions</b> N/A

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## 1 Policy Statement

Evoqua Water Technologies (“The Company”) strives to maintain the highest possible ethical standards. The Company seeks to avoid even the appearance of impropriety in the actions of its directors, officers, employees, associates, and agents. The Company prohibits any employee from, directly or indirectly, offering, paying or authorizing the payment of bribes, in order to assist in obtaining, retaining or directing business to any party or to obtain an improper advantage. In addition, no employee may use their position to demand, accept, obtain or be promised bribes or improper advantages.

Leadership of the Company fully supports any employee who declines an opportunity or advantage in a business transaction, where engaging or participating in the transaction would place the Company at legal or compliance risk.

## 2 Purpose

The purpose of this document is to establish a standard of conduct that will satisfy all anti-corruption laws applicable to the Company and to provide guidance for those circumstances where applicable law may not be intuitively obvious.

## 3 Scope

This Policy applies to all Company officers, directors, management and employees located at Company facilities both domestically and internationally (collectively “employees”). The Policy also applies to the Company’s agents, consultants, contractors, business partners and any other third party representatives acting on the Company’s behalf (collectively, “representatives”).

While this policy applies to all employees and representatives, there may be times when this policy conflicts with the local laws of the places where we do business. If you have a question about such a conflict or need assistance in deciding on a particular course of action, please contact the Ethics and Compliance Department.

## 4 Conformance

Employees who violate the Policy are subject to disciplinary action, up to and including termination. Representatives who violate the Policy will be subject to appropriate action, up to and including termination of all commercial relationships with the Company and disclosure of violation to enforcement officials. Employees or representatives who suspect the Policy was violated must report their concern in good faith to their supervisor, the Company’s Ethics & Compliance Department, or the Compliance Helpline.

## 5 Exceptions

There are no exceptions to this policy.

## 6 Roles and responsibilities

### 6.1 Ethics & Compliance

- Implementing and overseeing compliance with the Policy
- Communicating the Policy and the Business Conduct Guidelines to all employees
- Conducting or coordinating Business Conduct training for all employees and anti-corruption training for applicable employees, as necessary
- Ensuring agreements for representatives include appropriate anti-bribery and anti-corruption representations, covenants and other provisions
- Conducting and/or coordinating diligence on and approval of the applicable representatives before they enter into a business relationship with the Company
- Serving as a point of contact for employees to report suspected violations of the Policy
- Advising Executive Leadership of suspected violations of the Policy, the Foreign Corrupt Practices Act (“FCPA”) or any other applicable anti-bribery or anti-corruption law

- Reviewing and updating the Policy from time to time for consistency with recent enforcement actions, developments from regulators and for its overall effectiveness
- Ensuring that relevant records are maintained by the Company, including: anti-corruption training records; diligence conducted on Representatives; authorization for payments to Government Officials; measures taken to investigate reports of suspected bribery or corrupt payments; results of periodic reviews of the Policy and any steps taken in response to such results
- Investigations into instances of Policy non-compliance

**6.2 Human Resources**

- Policy enforcement and enactment of corrective action when applicable
- Investigations into instances of Policy non-compliance

**6.3 Legal**

- Investigations into instances of Policy non-compliance
- Policy and process review to ensure compliance with applicable laws and regulations
- Oversight of the Anti-Corruption Policy shall be the responsibility of the General Counsel, who shall have an adequate level of autonomy from other management and shall be given sufficient resources and authority to carry out this responsibility, including access to the Company’s Board of Directors

**7 Consultation with subject matter experts**

Title / Department
SVP – General Counsel & Secretary
SVP – Chief Human Resources Officer
Senior Counsel
Director of Internal Audit
Director of Human Resources
Ethics & Compliance Manager
Outside Counsel

**8 Glossary of terms**

Term	Definition
Bribe	A bribe is not just cash; it is “anything of value” given to secure an improper advantage. Examples include cash, gift cards, home repairs, tickets to a theater or sporting event, guest passes to a private club, a no-bid contract, or a summer job for a teenage family member. Just offering a bribe is a violation, even if the transfer does not occur. Also, bribes are not just made to government officials. They can also be made to certain private individuals, such as an employee of a supplier or customer to influence that person to defraud his or her employee or the Company. Not all payments to private individuals are bribes. Only payments made to secure an <i>improper</i> advantage or for the purpose of defrauding the individual’s employer or the Company constitute bribes in this context.
Improper Advantage	Influencing an individual to act in violation of his or her duty. Even if it was not the intention, perception of impropriety and inappropriateness must also be avoided.

Government Official	<p>A “Government Official” is any employee of a: (a) government agency, such as a department or ministry; (b) state-owned or controlled business; or (c) any officer or employee of a public international organization, or any department or agency thereof, such as an employee of the World Bank as well as a political party member or party official, a political party itself, or any candidate for political office.</p> <p>For purposes of this Policy, Government Official includes but is not limited to:</p> <ul style="list-style-type: none"> <li>- Customs or tax official</li> <li>- Public Sector employee</li> <li>- Municipal, township or local government employee</li> <li>- Water authority employee</li> <li>- Healthcare employee</li> <li>- Regulatory agency official</li> <li>- Police officer</li> <li>- Military personnel</li> <li>- Member of Parliament</li> <li>- Judge, prosecutor or court clerk</li> <li>- Anyone acting on behalf of a “public international organization” (e.g. the United Nations, the World Bank, and the International Red Cross)</li> <li>- Employee of a state-run company (e.g. a manufacturing facility that is owned or controlled by a government entity)</li> <li>- Director, officer or employee of a sovereign wealth fund or a state-run pension plan</li> </ul> <p>If you have any doubts as to whether a person is a Government Official, assume the person is a Government Official and proceed in accordance with the Policy.</p>
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## 9 Requirements

### 9.1 General Prohibition of Bribery

9.1.1 The Company prohibits any employee or representative from directly or indirectly: (a) offering, paying or authorizing the payment of bribes; and (b) from accepting or soliciting a bribe. Any employee or representative engaging in such prohibited conduct, attempting such conduct, or knowingly facilitating, participating in, or agreeing to commit such conduct in any manner may be terminated and subject to possible criminal prosecution. All employees and representatives must report any bribery or attempted bribery, kickback, or fraud, even if it is only suspected, to the Ethics & Compliance Department or the Compliance Helpline.

### 9.2 Recognition of the Warning Signs of Bribery

9.2.1 The knowledge requirement of the Foreign Corrupt Practices Act (“FCPA”), the United Kingdom’s Anti-Bribery Act of 2010, Canada’s Corruption of Foreign Public Officials Act, all of which are applicable to the Company, and other anti-bribery laws includes “actual knowledge” that a bribe was paid as well as awareness of a “high probability” of such bribery. Employees cannot deliberately turn a blind eye or consciously disregard warning signs or “red flags” suggesting a possible bribery scheme. Employees must look for “red flags,” and investigate when they are discovered. See Appendix A for examples of “red flags.” If an employee knows or has reasonable grounds to believe that an improper payment occurred, or will occur, he or she must immediately report such concerns to the Ethics & Compliance Department. These laws do not just prohibit bribery, they also make it a crime to agree to commit or facilitate bribery even when no bribe is actually paid.

### 9.3 Reasonable and Bona Fide Business Expenditures

- 9.3.1 As explained below, the FCPA and other applicable laws permit companies to cover bona fide business expenses incurred by or on behalf of a Government Official. In these situations, the burden is on the Company and/or the applicable employee to show that the expenses in question meet this requirement.
- 9.3.2 The Company may pay for customers' legitimate business expenses, such as travel and lodging expenses, if they are directly related to the promotion, demonstration or explanation of products or services, or the execution or performance of a contract. These expenditures, made in furtherance of a legitimate business promotion or a contractual obligation, must be reasonable in value, given in good faith and for a bona fide purpose, and permitted under the written laws of the local jurisdiction.
- 9.3.3 Employees are prohibited from making or authorizing any Representative to make these types of payments without completing a Gifts & Entertainment Form prior to providing the benefit. In addition any such expenses will be paid directly to providers, not to the customer personally, or, in the event that a reimbursement is required, will be paid only upon presentation of a receipt.
- 9.3.3.1 Receipts must be maintained and submitted in accordance with the Company's Business Expense Reimbursement Travel Policy. Failure to do so will result in corrective action up to an including termination.
- 9.3.4 Prohibited Payments
- 9.3.4.1 The following are examples of circumstances in which a payment both to, or on behalf of, a Government Official generally would not be considered a reasonable and bona fide business expense, and thus these payments are strictly prohibited. Note that these few examples are not meant to convey the universe of prohibited activity:
- Paying for travel to tourist destinations that have no connection with the Company
  - Paying for side trips or leisure activities that are not incidental to the general business purpose of the trip (e.g., payment for a day-long business meeting and for three days of golf following the meeting is prohibited)
  - Paying for travel expenses or side trips for spouses, family members or other guests of Government Officials
  - Paying for medical, educational or living expenses
  - Gift or sale of stock or other investment opportunities in other than an arm's length transaction for demonstrated fair market value, (e.g. selling to a customer at deflated prices or buying from a customer at inflated prices)
  - Forgiving debts
- 9.3.4.2 A "facilitation payment" is a payment to a Government Official designed to secure or speed up a routine government action, such as: processing a visa, scheduling an inspection, securing mail pick-up or delivery, or getting utilities connected. This is sometimes described as "greasing the wheels" or "grease payments." United States law permits certain grease payments, but local law may not. Employees are **not** permitted to make facilitation or "grease" payments to government officials and must decline to make such a payment if solicited.

### 9.4 Gifts & Entertainment

- 9.4.1 Entertainment and gifts may be provided to customers to promote goodwill and not as a quid pro quo for any favorable treatment or official action. Entertainment and gifts should be of modest or nominal value, reasonable under the circumstances, and infrequent. Gifts may be given as a courtesy, as a token of regard or esteem, as a tribute or honor, or to promote goodwill, and must be non-cash (e.g. no traveler's checks, money orders, gift cards or similar cash equivalents). Gifts should be presented openly and with complete transparency. Such permissible small tokens could include a fruit basket, flowers or gifts of nominal value.

- 9.4.2 Payments for entertainment and gifts may only be made if the payment is: (1) disclosed on a Gifts & Entertainment Form with the proper approvals when required and (2) clearly and accurately documented in the Company's records.
- 9.4.2.1 Receipts must be maintained and submitted in accordance with the Company's Business Expense Reimbursement Travel Policy. Failure to do so will result in corrective action up to an including termination.
- 9.4.3 The Company prohibits any entertainment expense or gift to any Government Official without the prior written approval of the Ethics & Compliance Department as detailed by the chart in 9.4.8. Gifts and entertainment valued under \$100 USD provided to non-Government Official customers do not require prior written approval as long as the gift or entertainment is infrequent (e.g. semi-annually).
- 9.4.4 Employees are responsible for ensuring that the gift and/or entertainment provided does not violate the recipient's internal policies, local law or agency rules. Employees are responsible for obtaining counsel from Ethics & Compliance prior to providing gifts, entertainment or hospitality if the limitations and rules are unclear based on the recipient or location.
- 9.4.5 Employees receiving gifts, entertainment and hospitality are responsible for ensuring the motives of the third party offering the benefits are honest and that acceptance of the benefit would not cause a conflict of interest.
- 9.4.6 Employees' records will be subject to random audits. Failure to maintain adequate records (e.g. receipts and completed Gifts & Entertainment Forms) will result in corrective action up to and including termination.
- 9.4.7 Management is responsible for reviewing and approving gifts, entertainment and reasonable and bona fide business expenses through the Company's business expense submission platform.
- 9.4.8 Providing and Receiving Gift, Entertainment and Hospitality Requirements

<b>Providing Gifts &amp; Entertainment</b>				
<b>Recipient</b>	<b>Gifts &amp; Entertainment limits and approvals</b>	<b>Reasonable &amp; Bona Fide Business Expenses limits and approvals</b>	<b>Required Form for Pre-Approval ONLY</b>	<b>Comments</b>
For things of value provided to U.S. Federal government officials and any rank of foreign government officials	<b>Pre-approval required for payment of any value</b>	<b>Pre-approval required for payment of any value</b>	Gifts & Entertainment Form	Gifts, entertainment, travel or lodging may be provided only in exceptional cases
For things of value provided to U.S. state and municipal government officials	Pre-approval required for amounts greater than \$25 USD per person or \$50 USD per person annually in aggregate	Pre-approval required for amounts greater than \$100 USD per person	Gifts & Entertainment Form	Gift cards of any type and value are prohibited.

All other customers (individuals employed in private industry, such as for customers and suppliers)	Pre-approval required for amounts greater than \$100 USD per person and \$200 per person annually in the aggregate	Pre-approval required for amounts greater than \$100 USD per person	Gifts & Entertainment Form	Gift cards of any type and value are prohibited.
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<b>Receiving Gifts, Entertainment and Hospitality</b>				
	<b>Gifts &amp; Entertainment limits and approvals</b>	<b>Reasonable &amp; Bona Fide Business Expenses limits and approvals</b>	<b>Required Form for Pre-Approval ONLY</b>	<b>Comments</b>
Receipt of gifts by Company Employees at any location	Prior approval required for amounts greater than \$100 USD per occurrence or \$200 USD in aggregate annually from a single third party	Prior approval required for amounts greater than \$100 USD per occurrence or \$200 USD in aggregate annually from a single third party	Gifts & Entertainment Form	Gift cards of any value or type must be raffled off inter-departmentally. Gifts of food must be shared with the entire department or business unit.

- 9.4.9 Evoqua branded marketing merchandise (e.g. mugs, pens, ball caps, etc.) will be considered a “gift” for pre-approval purposes if the recipient is receiving greater than \$50 USD worth of merchandise in aggregate.
- 9.4.10 Contractually agreed payment of travel and lodging expense for customers must be reviewed and approved by Ethics and Compliance or Legal prior to contract execution.

**9.5 Doing Business with Representatives**

- 9.5.1 The Company may not pay any money or give anything of value to any Representative, including, by way of example, an agent fee or commission, if the circumstances indicate that all or a portion of the money or valuable item will or may be passed on to a Government Official to influence official action or obtain an improper advantage. To protect the Company against the risk of these indirect bribes, it is imperative that the Company ensure that it does business only with qualified and reputable Representatives who understand and agree to abide by the Policy.
- 9.5.2 Before the Company enters into a business relationship with any Representative who may interface, directly or indirectly, on the Company’s behalf with a Government Official, the following steps must be taken:
  - 9.5.2.1 A diligence review of the qualifications and reputation of the Representative must be completed and documented including escalation and remediation measures
  - 9.5.2.2 The written agreement with the Representative must include appropriate anti-bribery and anti-corruption representations, covenants and other provisions

**9.6 Risk Assessments**

- 9.6.1 The Company shall conduct periodic risk assessments of its operations.



- 9.6.2 As the Company identifies areas of increased risk, the Compliance Department shall recommend the implementation of procedures and/or internal controls proportionate to the known risks.
- 9.6.3 The results of this periodic risk assessment and the implementation of any recommended risk-mitigation measures shall be documented in writing and maintained in accordance with the Company's Document Retention Policy.

### **9.7 Record Keeping**

- 9.7.1 It is the Policy of the Company to maintain books and records detailing accounting transactions, including without limitation those that, directly or indirectly, involve gifts or payments to, or on behalf of, Government Officials.
- 9.7.2 The Company will maintain a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records and accounts. This system should be designed to provide reasonable assurances that:
  - 9.7.2.1 Transactions are executed in accordance with management's general and specific authorization
  - 9.7.2.2 Transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (ii) to maintain accountability of assets
  - 9.7.2.3 Access to the Company's assets and funds is permitted only in accordance with management's general or specific authorization
  - 9.7.2.4 The accounts recorded on the Company's balance sheet should be reconciled to the underlying accounting detail at reasonable intervals and, where appropriate, compared to the physical assets. Appropriate action should be taken with respect to significant differences
- 9.7.3 The Company prohibits all off-book accounts and slush funds.
- 9.7.4 In those cases where a bona fide business-related expense or an entertainment expense or gift was made as permitted under the Policy, the records related to such transactions must be accurate, and must reflect the amount, the date, the recipient, and the purpose of the payment.
- 9.7.5 If an employee knows or reasonably suspects that any other employee is making or assisting in the making of false entries in the Company's books and records, he or she must immediately report such concerns to the Compliance Helpline or the Ethics & Compliance Department and must cooperate in any Company investigation.
- 9.7.6 In addition to other disciplinary measures, the Company reserves the right to refuse reimbursement of any expenses incurred by an employee where the employee violates the Policy.
- 9.7.7 Records involving gifts or payments to, or on behalf of, Government Officials, anti-corruption training, and modifications to or assessments of the Policy shall be kept by the Company in accordance with the Document Retention Policy.

### **9.8 Statement of Compliance**

- 9.8.1 The Policy will be available to all employees via the Company intranet. The Policy will be re-communicated to all Associates whenever there is a material update to the Policy and at such other times as determined by the Ethics & Compliance Department. Employees will be required to attest that he or she received, read and will abide by the Policy and the Business Conduct Guidelines through annual training sign-offs.

### **9.9 Training**

- 9.9.1 The Company will conduct anti-corruption training programs on a periodic basis for applicable employees identified by the Ethics & Compliance Department. The anti-corruption training may be delivered through, among other means, publications, live presentations, interactive online training courses and/or self-directed training modules. For all anti-corruption training programs, an attendance list or other record shall be kept and will include the names of the participants and the date(s) and method of training.

**9.10 Reporting of Non-Compliance**

- 9.10.1 In accordance with the Company’s Business Conduct Guidelines and Employee Concern Policy, all employees are required to immediately report any known or reasonably suspected violations of the Policy or anti-corruption law to the Ethics & Compliance Department or the Compliance Helpline. All employees must fully cooperate with the Company and its agents in the investigation of any suspected violations of this Policy. This includes, but is not limited to, attending all meetings with investigators when requested, answering any and all questions posed by Company investigators, providing all relevant information to Company investigators, including volunteering information, and supplying all relevant documents, even when those documents have not been specifically requested by the Company.
- 9.10.2 Reports of possible violations will be treated confidentially to the extent reasonably possible. No employee who in good faith and on a reasonable basis reports a suspected violation will suffer harassment, retaliation, or other adverse employment consequence.
- 9.10.3 Any employee who retaliates against someone who reported a suspected violation in good faith and on a reasonable basis is subject to discipline up to and including termination.

**10 References**

<a href="#">GM0001</a>	Business Conduct Guidelines
	Employee Concern Policy
<a href="#">PO0059</a>	Expense Reimbursement Travel Policy
	Gifts, Entertainment and Hospitality Form

**11 Version History**

<b>Version</b>	<b>Date</b>	<b>Description of Change</b>	<b>Author</b>	<b>Approver</b>
1.00	5/9/2016	Initial release	L. Klann	V. Grieco
2.00	6/23/2016	Update for Evoqua Branded Merchandise gift limits	L. Klann	V. Grieco

**APPENDIX A: WARNING SIGNS OR RED FLAGS**

Anti-corruption experts and law enforcement officials cite various “red flags” they believe put businesses on notice that they may encounter pitfalls under the FCPA and other anti-bribery laws when dealing with Representatives and other business partners. The FCPA imposes liability based both upon actual knowledge of a potential bribe and upon facts that indicate one “should have known” about a potential bribe when, for instance, the employee knew that an excessive or unusually high commission was to be paid. Thus, it is not necessarily a defense that an Employee did not know how money was to be spent by a third party. If you have any questions or concerns about the actions of a Representative or other third party, you should talk to your supervisor, the Ethics & Compliance Manager, the General Counsel or your Human Resources representative.

The following list is not exhaustive, nor does any one factor necessarily demonstrate that a payment is illegal, but the list provides a number of examples regarding the behavior of business partners that indicate increased risk and need for attention. (This list refers to Representative for convenience, but could also refer to other business partners or intermediaries.)

- A Representative has a reputation for impropriety, or unethical or illegal conduct, or has been the subject of allegations or investigations related to bribery or other dishonest conduct
- A Representative seeks to perform services without a written agreement, or refuses to agree to anti-corruption contract provisions
- A Representative requests excessive or unusually high compensation or commissions, or unusual payment or financial arrangements (e.g. substantial and unorthodox upfront payments; payments via third parties or countries other than where the business partner works, particularly those countries that historically have provided special protections for the identity of bank account holders; payments in cash or bearer instruments; “off books” payments; payments described in a suspicious manner, such as “payments to get the business”)
- A Representative has family ties or close social or business relationships with Government Officials
- A Government Official or government customer recommended or insisted the Company use a particular Representative
- A Government Official is a director, officer, senior employee of, or has ownership interest in a Representative
- A Representative makes misrepresentations or inconsistent statements in the diligence process
- The transaction involves the use of “shell” companies or other structures that serve no reasonable business purpose
- A party to the transaction seeks expense reimbursement without adequate documentation or seeks payment for large expenses
- Any part of the arrangement violates local law or internal Company policy

In addition to the warning signs listed above, several other “red flags” have been identified in US Department of Justice opinions as particularly relevant to proposed agreements with joint ventures partners and other business partners:

- A proposed business partner is owned, directly or indirectly, by a Government Official or a relative of that official
- The business partner cannot assign significant assets to the joint venture or partnership other than influence with a Government Official
- The business partner refuses to agree to reasonable financial controls
- There are rumors the business partner has, in turn, another partner who is Government Official.

There are two other types of “red flags” or risks that generally apply when conducting business with Government Officials or through third parties that may have relations with Government Officials:

- The transaction involves an industry or line of business that has a history of corruption problems

- The transaction occurs in a country or part of the world with a high risk of corruption. High risk countries are listed within the Corruption perceptions Index of Transparency International. The comprehensive listing is posted on the group's website (<http://www.transparency.org/>)