

KALSEC, INC.
ETHICS, ANTI-BRIBERY, CORRUPTION, AND WHISTLEBLOWER POLICY & PROGRAM

Table of Contents

1.	Policy Statement _____	2
	a. Background _____	2
	b. Application _____	2
	c. Policy Content _____	3
	d. Policy Breaches _____	3
2.	What is Bribery? _____	3
3.	Key Responsibilities _____	4
	a. All Employees _____	4
	b. Kalsec’s Board of Directors, Executives, and Senior Management _____	5
	c. Business Unit and Function Heads _____	5
	d. Human Resources _____	6
	e. Legal Function _____	6
4.	Gifts and Entertainment _____	6
5.	Donations _____	7
6.	Record-Keeping _____	8
7.	Whistle Blowing Policy _____	8
8.	Training and Communication _____	9
9.	Consequences of Breach _____	9
10.	Monitoring and Review _____	10
	APPENDIX I _____	11
	UNACCEPTABLE CONDUCT	
	APPENDIX II _____	12
	RED FLAGS	

1. Policy Statement

- a. Background. Kalamazoo Holdings, Inc. and its subsidiaries (“Kalsec” or the “Company”) globally uphold all applicable laws, including those relevant to countering bribery and corruption. The Company’s policy is to conduct all business honestly and ethically. Kalsec takes a zero-tolerance approach to bribery, corruption, and unethical and illegal behavior and requires that all Company Employees and Associated Persons (as defined herein) act professionally, fairly, and with integrity, in all their business dealings and relationships – wherever they operate.

Kalsec upholds all applicable laws globally, including the United States Foreign Corrupt Practices Act of 1977 (“FCPA”); the UK Bribery Act of 2010 (“UK BA”); and the Singapore Prevention of Corruption Act (“SPCA”); as well as local anti-bribery and corruption laws in the countries where Kalsec conducts business. Consistent with that commitment, Kalsec has adopted this global Ethics, Anti-Bribery and Corruption Policy & Program (the “Policy”).

This Policy reflects Kalsec’s commitments referenced above and incorporates all requirements of the FCPA, UK BA, and SPCA (collectively the “Acts”). The obligations set forth herein apply to Kalsec’s global activities. Giving or receiving of bribes in any form and for any corrupt purpose violates the Acts and this Policy.

- b. Application. This Policy applies to all employees, officers, and directors of the Company (whether permanent or temporary) and of the Company’s subsidiaries, affiliates, and related corporations, whether permanent or temporary (collectively “Company Employees”). The Company may amend this Policy at any time at its discretion.

In addition to Company Employees, employees, officers, and directors of the Company’s representatives, vendors, contractors, shippers, agents, customers, suppliers, consultants, business contacts, advisors, brokers, including general sales agents, and any other entity that performs services for or on behalf of the Company or any of its subsidiaries or their employees, wherever located (collectively “Associated Persons”) are expected to have and comply with their own ethical business policies or comply with this Policy.

Where Kalsec enters into a joint venture of any kind, an equivalent policy with similar underlying principles of ethical business to this one should be implemented by any such entity.

This Policy mandates that Company Employees and Associated Persons refrain from any bribery or corrupt practices or unethical or illegal behavior, and further that Company Employees and Associated Persons uphold the high standard of ethics which safeguards

one of Kalsec's most valuable assets: its reputation. This Policy is intended to assist Company Employees in conducting their business legally, ethically, and with integrity. It is not meant to stop legitimate business activities, so long as those activities comply with applicable law and with the Company's internal policies on conducting ethical business.

- c. Policy Content. The Policy sets out Company Employees' responsibilities in the detection and prevention of the prohibited behavior listed above in all of its forms, and in observing and upholding Kalsec's position against bribery, corruption, illegal, and unethical behavior. The Policy also provides information and guidance on how to recognize and deal with bribery and corruption issues and what behavior is not acceptable to the Company. If you are in doubt about whether or not any specific conduct falls under the category of being unethical or illegal or bribery or corruption, you should contact the Legal Department immediately or discuss the matter with your supervisor.
- d. Policy Breaches. Any breach of this Policy could result in disciplinary action including, but not limited to, dismissal of the employee or termination of the relationship with Associated Persons.

2. What is Bribery?

Bribery includes gaining any unfair advantage by directly or indirectly promising; offering; agreeing to pay; authorizing payments of; paying; giving; or soliciting, anything of value (financial or otherwise) to or from a third party (including but not limited a public official) in order to secure or reward an improper benefit or improper service and/or performance of a function or activity.

Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as an expensive gift, lavish treatment during a business trip, or tickets to a hospitality event. This applies whether you are being asked for anything of value or whether such an offer is instigated by you to the potential recipient, directly or indirectly through a third party.

Prohibited payments or offers are impermissible at all times, whether or not they are given to a governmental official or an employee of a non-governmental business or entity.

Things of value that could be deemed a prohibited payment include bribes, kickbacks, a financial advantage, or any other benefit, whether cash or in kind, tangible or intangible. Examples can include money, gifts, meals, entertainment, airline tickets or discounts, travel vouchers, offers of employment, or charitable contributions. Prohibited payments also include so-called "facilitation payments," which are routine payments typically made to low-level government officials to expedite a service or routine action. Examples of bribery are included at **Appendix I**.

This Policy shall apply even in circumstances and in countries where the giving and receiving of bribes or such corrupt payments may be common local practice or custom. It is not a valid defense against a

charge of corruption to show that the bribe in question is customary in any profession, trade, vocation or calling, industry, jurisdiction, or country. Examples of behaviors which could raise concerns under anti-bribery and corruption laws are listed at **Appendix II**.

3. Key Responsibilities

- a. All Employees. All Company Employees are required to comply with this policy and are responsible for the prevention, detection, and reporting of bribery and other forms of corruption or illegal or unethical behavior that may impact Kalsec. All Associated Persons are expected to have and comply with their own ethical business policies or comply with this Policy.

Consequently, all Company Employees and Associated Persons must comply with the following requirements:

- i. Read, understand, and comply with this Policy and be vigilant with regard to its purpose;
- ii. Make all Associated Persons aware of this Policy;
- iii. Complete all mandatory anti-bribery and corruption training as provided, or requested, by Kalsec from time to time;
- iv. Report any known or suspected behavior prohibited by this policy. If you believe or suspect that a conflict with this Policy has occurred or may occur in the future you must notify either:
 1. Your supervisor;
 2. The HR Department; or
 3. The Legal Department; or
 4. Through the Kalsec anonymous reporting line which can be found on the Kalsec intranet or by using the following link;
<https://integritycounts.ca/org/Kalsec>.
- v. In certain cases, heightened due diligence may be required before Company Employees commence business with a company Kalsec has not dealt with before. Circumstances when this requirement may arise are when business activities may include the following aspects:
 1. Transacting with a new client based in a higher risk jurisdiction¹;

¹ See the *Corruption Perceptions Index* at <https://www.transparency.org/>

2. Undertaking an activity that may be high risk in nature;
3. Entering into a joint venture; or
4. Considering using a third-party agent, where an entity is going to transact business on behalf of Kalsec.

If you believe any of these circumstances are present, please contact the Legal Department.

- vi. Ensure that Kalsec's standard legal clauses regarding bribery, corruption, and compliance with applicable laws are incorporated into any contract in which Kalsec enters as a counterparty. All contracts, particularly those involving agents or consultants acting on behalf of Kalsec, should include anti-bribery and corruption protections. No anti-bribery or corruption clauses from a counterparty should be agreed to without consultation with the Legal Department.
 - vii. Be alert for any suppliers with poor reputation or practices. It is strongly recommended that Kalsec not work with counterparties that do not have their own policies on ethical business practices.
 - viii. Be alert to close relationships between parties in the supply chain (e.g. agent/distributor) or with government officials.
 - ix. Seek a detailed breakdown of all fees and costs upfront, especially where success fees and services are concerned, and question anything which appears unusual.
- b. Kalsec's Board of Directors, Executives, and Senior Management. Directors, Officers, Vice Presidents, and Executive Directors have ultimate responsibility for ensuring that Kalsec complies with its legal and ethical obligations, and that Company Employees are aware of and comply with these obligations and appropriate system controls and take part in any regularly scheduled mandatory trainings.
- c. Business Unit and Function Heads. Business Unit and leaders of functions and regions for Kalsec must:
- i. Ensure that those employees reporting to them are made aware of, understand, and adhere to this Policy and complete any mandatory training;
 - ii. Monitor the work of their teams and address issues that fall under the remit of the Policy as and when they arise;
 - iii. Be responsible, in coordination with the Legal Department, for the results of periodic assessments of compliance with this policy, ensuring that they are addressing both external and internal key risk factors in respect of bribery and corruption in relation to their business unit or function;

- iv. Ensure that accurate records of all documentation linked to the giving or receiving of gifts and hospitality are maintained which will be periodically reviewed by management.
- d. Human Resources. HR will have responsibility for notifying new employees about this Policy and ensuring that appropriate training is provided.
- e. Legal Function. The Legal department will have responsibility to implement this policy and deal with questions of interpretation. Enquiries for interpretation may be submitted directly to the Legal department, or to your supervisor, or through the Kalsec anonymous reporting line which can be found on the Kalsec intranet or by using the following link; <https://integritycounts.ca/org/Kalsec>. The Legal department will coordinate both internal and, from time to time, external audits of this program.

4. **Gifts and Entertainment**

- a. “Gifts” and/or “Entertainment” means anything that has commercial or personal value including, for example, transfers of value such as discounts, loans, sponsorships, favorable terms on any product or service, transportation, use of Company or other’s assets, subsidizing of expenses, tickets to a sporting or theatrical event, client entertainment, dinner, or drinks.
- b. The giving of Gifts or Entertainment is a routine part of doing business and can help promote Kalsec’s brand and reputation. However, extreme caution must be exercised to ensure that the giving of any gifts or provision of hospitality does not create a conflict of interest. Accepting or giving a Gift or hospitality in return for a business advantage or a competitive insight, whether directly or indirectly, knowingly or unknowingly, is forbidden.
- c. Consistent with Kalsec’s code of conduct, the giving of appropriate Gifts, Entertainment, or general hospitality that do not create a conflict of interest for any of the participants is allowed.
- d. Subject to sub-clause “e” below, any Gifts and/or hospitality should be:
 - i. Less than a market value of \$250 USD per person / per event; and
 - ii. Must not fall into the “prohibited” category below.

Examples of what is allowed include customary token gifts and hospitality during festive seasons; thank you gifts for event speakers giving time free of charge; or promotional items of low value such as pens, calendars, etc.

- e. Maintaining detailed records on all high value gifts given and entertainment provided is essential and is one of the most efficient ways to detect and prevent instances of bribery and corruption. To this end, all Company Employees must promptly record details of any customer, agent, or third-party advisor to which a Gift has been given or Entertainment provided. For a Gift or Entertainment in excess of \$250, the written record must detail the reason for why such a high value item was given. This process does not replace the normal process for claiming expenses.
- f. This Policy does not prohibit the provision or receipt of normal and appropriate gifts and/or entertainment to or from third parties on condition that all of the following requirements are met:
 - i. It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits;
 - ii. It complies with applicable law, including local requirements;
 - iii. It is given in Kalsec's name, and not an individual Company Employee or Associated Person's name;
 - iv. It does not include cash or cash equivalents (such as gift certificates or vouchers);
 - v. It is appropriate in the circumstances. For example, in Europe and the US it may be customary for small gifts to be given during the holiday season.
 - vi. Taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
 - vii. It is given and received openly, not secretly;
 - viii. It does not jeopardize the reputation or interests of the Company, Company Employees, or its customers.
- g. If a Company Employee receives any Gift or Entertainment or other benefit that may be deemed to be prohibited, such gift must be immediately returned and the hospitality not accepted. Written communication accompanying returned Gifts or rejected Hospitality should be sent to the donor explaining the Company's policy with respect to Gifts and Hospitality requesting that no such Gifts or Hospitality be made in the future.

The intention behind the Gift or Entertainment provided should always be considered and should not be deemed in any way to be improper. When in doubt, the Legal Department can provide advice in respect of the giving or receiving of Gifts or Entertainment.

5. Donations

Kalsec only makes charitable contributions that are legal and ethical under local laws and practices. No donation must be made or offered without the prior approval of the Legal Department. Company

Employees and Associated Persons should be alert to the fact that giving or offering charitable contributions or charitable sponsorships with the intention of inducing or rewarding improper conduct in relation to Kalsec's business is likely to constitute a bribe and is strictly prohibited by Kalsec.

6. Record-Keeping

The Company will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

Employees must ensure that all expenses claims related to gifts, hospitality, or entertainment, or expenses incurred to or by third parties are submitted in accordance with the Company's expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda, and other documents and records relating to dealings with third parties, such as customers, suppliers, and business contacts, should be prepared and maintained with strict accuracy and completeness. Accounts will not be kept off book or otherwise in order to facilitate or conceal improper payments.

7. Whistle Blowing Policy - Reporting Suspected or Actual Bribery Concerns or Suspected or Actual Breaches of Ethics or Law

If you suspect any suspicious internal or third-party bribery, corruption activity, or unethical or illegal behavior or are unsure whether a particular act constitutes bribery or corruption or unethical or illegal behavior, these concerns must be raised. This can be done either directly with the Legal Department, your supervisor or manager, HR representative, or through the Kalsec anonymous reporting line which can be found on the Kalsec intranet or by using the following link; <https://integritycounts.ca/org/Kalsec>.

All allegations relating to a breach or suspected breach of an applicable law or a Kalsec policy will be investigated by Kalsec.

Kalsec's whistle-blowing policy is as follows: It is the responsibility of all Company Employees to reports concerns in good faith regarding actual or suspected activities that may be illegal or in violation of Kalsec policy with respect to, without limitation, fraud, theft, embezzlement, accounting irregularities, bribery, kickbacks, and misuse of Company assets, as well as any violations or suspected violations of law or business and personal ethical standards, as such standards relate to the Company (each, a "Concern"), in accordance with this policy. No person who in good faith reports a Concern shall suffer intimidation, harassment, retaliation, discrimination, or adverse employment consequence because of such report. Any director, officer or employee of the Company who retaliates against someone who has reported a Concern in good faith is subject to discipline up to and including termination of employment. Anyone reporting a Concern must act in good faith and have reasonable grounds for believing that the information disclosed may indicate a violation of law and/or ethical

standards. Any allegations that prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

The Company takes seriously its responsibility to enforce this policy and therefore encourages any person reporting a Concern to identify him or herself so as to facilitate any resulting investigation. Notwithstanding the foregoing, in reporting a Concern, a person may request that such report be treated in a confidential manner (including that the Company take reasonable steps to ensure that the identity of the reporting person remains anonymous). Concerns may also be reported on an anonymous basis. Reports of Concerns will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Acknowledgement of receipt of a Concern will be issued within five business days, but only to the extent that the reporting person's identity is disclosed. All reports will be promptly investigated; the scope of and appropriate corrective action will be taken if warranted by the investigation.

This policy shall be read in conjunction, and will be subordinate to, any applicable local policies contained in relevant personnel manuals.

8. Training and Communication

Kalsec ensures that all of its existing and new employees are made aware of this Policy. Employees may be required to attend and complete relevant required training on how to implement and adhere to this Policy.

In order to apply the necessary controls required to manage any potential risk that Kalsec may be exposed to, Kalsec shall ensure that relevant Kalsec Employees are given specific training and guidance tailored to address such risks in their particular area. Kalsec employees and directors will receive annual communication highlighting the application of this policy.

Kalsec's zero-tolerance approach to bribery and corruption will be communicated to all suppliers, agents, contractors, and business partners at the outset of our business relationship with them and as appropriate thereafter.

9. Consequences of Breach

The consequences for an individual or company being involved in bribery or illegal or unethical behavior, whether directly or indirectly, are potentially extremely serious. Increased penalties may be imposed where the offense committed involves transactions, whether contracts, proposals for contracts or tenders, involving government departments or public bodies.

Apart from potential criminal and civil liabilities involving imprisonment and/or severe fines, Employees who are found to be in violation of this Policy shall be subject to appropriate disciplinary action, which may extend to immediate termination of employment or appointment. Disciplinary

action will also be taken against Employees who have knowledge of such violations but conceal information from Kalsec, or who take detrimental action against others who report such violations.

It is not a valid excuse or defense that:

- a. You did not intend to personally benefit from the corrupt practice or act, but did so for the benefit of some other person, including the Company;
- b. You were acting on the instructions of your supervisor(s);
- c. You personally believed such acts or practice are necessary or justified in order for the Company to remain competitive or profitable in a particular jurisdiction or industry, or in order to retaliate against the corrupt practices of others (e.g. our competitors); or
- d. You personally believe that such acts or practices are common or normal business acts in a particular jurisdiction or industry.

10. Monitoring and Review

The Legal Department will regularly monitor and review the effectiveness and implementation of this Policy, always considering its suitability, adequacy, and effectiveness. Any improvements identified will be made as soon as possible, including improvements based on reported issues. Internal control systems and procedures may be subject to regular audits to provide further assurance that they are effective in countering bribery and corruption. Breaches to this policy and concerns raised by Company Employees will be reported on at least an annual basis to Kalsec's Audit Committee, which will review the program on a regular basis.

APPENDIX I

UNACCEPTABLE CONDUCT

The giving, receiving, or facilitating of a bribe or involvement in any connected activity, in any circumstances, is totally unacceptable to the Company. Examples of prohibited activities are set out below.

It is not acceptable for you (or someone on your behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- Give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure;
- Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this Policy;
- Appoint any third party to act on behalf of Kalsec who you know or have good reason to believe to have engaged in any corrupt or unlawful conduct;
- Pay any third party (excluding bona fide consultants) for the purposes of making business connections for Kalsec;
- Engage in any activity that might lead to a breach of this Policy; or
- Accept a ‘kickback’ – a kickback is typically any payment made in return for a business favor or advantage. All Company Employees and Associated Persons must avoid any activity that might lead to, or suggest, that a kickback (or facilitation payment) will be made or accepted by the Company.

Kalsec Employees must also be aware and alert to the fact that a benefit offered or given indirectly, for example through an agent, or through a third party acting on Kalsec’s behalf, may also constitute a bribe.

APPENDIX II

RED FLAGS

The following is a list of possible red flags that may arise during the course of your employment with Kalsec, and which may raise concerns under various anti-bribery and corruption laws.

The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while employed by the Company, you must report them promptly to the legal department or the anonymous reporting line:

- You become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with foreign government officials;
- A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for Kalsec;
- A third party requests payment in cash and / or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- A third party requests an unexpected additional fee or commission to “facilitate” a service;
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- A third party requests that a payment is made to “overlook” potential legal violations;
- A third party requests that you provide employment or some other advantage to a friend or relative;
- You receive an invoice from a third party that appears to be non-standard or altered in a non-standard manner;

- A third party insists on the use of side letters or refuses to put terms agreed in writing;
- You notice that Kalsec has been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to Kalsec;
- The third party requests a split of purchases to avoid procurement thresholds;
- The third party is vague or elusive about source of funds for the transaction or activity;
- The third party requests that the Company not report or disclose a particular activity or transaction;
- The third party threatens to withhold services absent payments to individuals in addition to contractually agreed payments, or payments in cash or cash equivalents;
- A government official insists on a specific person or company to serve as third party;
- The third party refuses to agree to the contractual provisions relating to anti-bribery and anti-corruption;
- During negotiations, the third party seems indifferent to the price for the Company products or services, or otherwise fails to act in a profit seeking manner;
- The third party insists that its identity remain confidential or refuses to divulge the identity of its owners or principals;
- The third party does not have offices or a staff, or frequently moves locations; or
- You are offered an unusually generous gift or offered lavish hospitality by a third party.