

**ANTI- BRIBERY AND ANTI- CORRUPTION POLICY**

**OCI N.V.**

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# ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

## INTRODUCTION

OCI<sup>1</sup> strives to conduct all business activities responsibly, efficiently, transparently, and with integrity and respect towards all stakeholders. Our values are incorporated into our Code of Conduct and Policies, which underline our commitment to safeguarding our principles.

OCI is committed to fully comply with local and international Anti-bribery and Anti-corruption laws. This includes OCI's strict prohibition against the offering, receiving, acceptance, payment or authorization of any bribe and any form of corruption.

## PURPOSE

Bribery and corruption is prohibited by law. The U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act are laws, which have global (i.e. extra-territorial) effect and apply to OCI wherever we do business. In recent years, many other countries have developed specific laws on bribery and corruption that apply locally<sup>2</sup>. Violation of these laws can lead to significant fines, not only for OCI but also for its responsible officers, and even imprisonment.

This Anti-bribery and corruption Policy aims to give further guidance on the norms of business integrity as set in the OCI Code of Conduct and the mentioned laws and regulations. This Policy thus covers the areas of facilitation payments, gifts, entertainment, travel and lodging, sponsorship, charitable donations and political contributions.

## SCOPE

This Policy applies to all employees, officers and directors of OCI, contract staff and other engaged through an agreement (collectively referred to as the "Employees").

## ROLES AND RESPONSIBILITIES

Compliance with this policy by all Employees is mandatory at all times. In jurisdictions where (local) laws or regulations set stricter rules than those set out in this policy (e.g. lower thresholds) the stricter rules prevail. When in doubt contact your Local Compliance Officer (LCO) or our Group Compliance Officer (Folkert.vanBreugel@OCI.nl).

Employees must be familiar with its contents and any additional legal or regulatory requirements applicable to their location or business/ industry. Employees with supervisory responsibilities must make their team members or direct reports aware of the risks identified in this policy and direct them to act in accordance with it. Employees must report any (appearance of) violation of

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<sup>1</sup> OCI N.V. and its subsidiaries, Joint Ventures and other 50% or more controlled entities.

<sup>2</sup> Adopted pursuant to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; The OECD Convention.

any element of this policy to their manager, next level-up manager, Reporting Officer, LCO or (anonymously) through the OCI Hotline [www.oci.ethicspoint.com](http://www.oci.ethicspoint.com).

## **THE RULE**

**It is strictly prohibited to offer or accept a bribe (or engage in any activity that gives the appearance of offering or accepting a bribe).**

A bribe can be described as the payment, promise of payment or authorization of payment of anything of value, either directly or indirectly, to obtain an improper personal or business advantage.

- It not only covers the actual payment of a bribe, but also the promise of payment or (internal) authorization of payment of a bribe. The fact that the bribe was ultimately not paid makes no difference in this regard.
- The wording ‘directly or indirectly’ implies that a bribe is a bribe regardless whether it is paid directly to the intended recipient, or indirectly, i.e. if payment is done through a third party (e.g. a sub-contractor, agent or other intermediary) or if payment is received through a third party (e.g. given to a friend, relative or other liaison of the recipient).
- The wording ‘anything of value’ implies that, not only money can be an instrument of bribery, but also other benefits such as gifts, entertainment, information, personal favors, donations or anything else that would be of value to the recipient.
- There is no minimum threshold. Whether something is of value depends on the perspective of the intended recipient of the bribe (are they likely to be influenced by whatever it is that is offered to them?).

A bribe is, however, only a bribe if it is done with the intent of improperly influencing a public official or private person to obtain or retain business. In other words, if it is intended to induce a public official or private person to misuse their position to secure any kind of business advantage for OCI.

Intent does not have to be explicit. It can also be deduced from specific circumstances. E.g., the giving of lavish gifts or entertainment can also express such intent. Moreover, the intent must concern the obtaining or retaining of a business advantage. This includes bribing public officials or private persons in order to influence the outcome of a tender but can also include other commercial advantages (obtaining favourable tax treatment, etc.).

OCI can be held liable for bribes paid by its sub-contractors, agents and other intermediaries if it knew or could have known that bribes are involved. Conscious disregard, wilful blindness or deliberate ignorance of the facts can be sufficient to establish a violation. Therefore, it is essential that our Third Parties also comply with anti-bribery laws. Compliance is established through the Sanction Policy and guidance materials in respect of third party due diligence.

## **FACILITATION PAYMENTS**

It is prohibited to directly or indirectly give or authorize any facilitation payment.

Facilitation payments are commonly understood to be:

- of nominal value;
- made to a public/ government official to expedite or secure the performance of a routine governmental action;
- made in relation to a government action where the public/ government official has no discretion regarding such action.

The following are examples of what may constitute facilitation payments:

- payments made in order to clear customs in an expedited fashion, providing that all relevant regulatory requirements are met; and
- payments to expedite the issuance of visas, work permits, non-discretionary licenses or other official documents.

## **GIFTS AND ENTERTAINMENT**

Business decisions should be based solely on benefits to OCI and not on considerations of past or future personal gain. OCI may provide and accept business amenities to strengthen and build legitimate business relationships. While not prohibited care must be taken in the receipt or provision of all gifts and entertainment, in order to manage any potential conflicts of interest or the appearance of impropriety.

Employees and Third Parties cannot, directly or indirectly, make promise, pay, solicit, request, and agree to receive or accept anything of value to or from external parties if doing so:

- Would violate this policy;
- Could be perceived as a bribe;
- Influences, is intended to influence or reasonably gives the appearance of influencing any act or decision by anyone to do or omit to do something which is dishonest, illegal, misleading or a breach of trust or to improperly perform their function;
- Is done whilst the recipient conceals, or can be expected to conceal, the request, promise, offer or gift from his employer;
- Makes the recipient appear to be under an obligation to OCI or places the OCI employees under an obligation;
- To secure, maintain or obtain business or an advantage in business by inducing a person to perform their function improperly.

Gifts and entertainment must be ordinary and customary in the context of industry standards and cannot create any conflicts of interest.

Inappropriate entertainment that is likely to bring OCI's reputation into disrepute is strictly prohibited.

When considering offering or accepting gifts or entertainment from an existing or prospective OCI client, business partner, consultant, agent or any other service provider, employees must never use their position with OCI for personal or private gain for themselves, their families or other persons.

Personal financial assistance of any kind provided by a supplier or other business contact, other than financial institution acting in the ordinary course of business, is prohibited.

Employees may not personally contribute to cover costs that would otherwise violate this policy nor may employees split or structure payments with other OCI employees in an attempt to keep expense submissions under any applicable limits.

Gifts and entertainment must also comply with applicable written laws. Be aware that government authorities may have strict policies concerning the acceptance of gifts and entertainment. These policies must also be strictly adhered to.

The following considerations govern the offering or acceptance of entertainment:

- Entertainment of or by counterparts may neither be so frequent nor so excessive as to raise any question of impropriety and must always be consistent with the underlying relationship with the counterpart and the seniority of those attending;
- Employees should not solicit entertainment from counterparts nor should they agree to requests from counterparts to provide it.

Invitations to officials may only be approved by the manager if the event qualifies as a business event or social event as defined below:

A business event is a working group, seminar, conference or similar event, held within or outside OCI at OCI's expense that is:

- Clearly and predominantly business related (to the promotion, demonstration or explanation of products or services or the execution or performance of a contract) and
- The value of other elements related to the event (such as lunches, dinners) is reasonable and proportionate for the purpose of the event.

A social event is a cultural or sporting event, the invitation to which has been extended exclusively for the performance of representative functions at that specific event. It must be clear that the public official and/ or business relation is representing a (public) body or institution, which requires an apparent connection between the office of the public official or the business relation and the event. Exceptional approval may otherwise be granted but in all instances, it must be clear that there is no intention to influence the official in order to obtain or retain business or a business advantage on behalf of OCI.

## **DONATIONS**

Donations are defined as monetary or in-kind contributions to a registered charity or not-for-profit organization made on behalf of OCI to Third Parties or made by Third Parties on behalf of OCI, without receiving a benefit in return (unless explicitly permissible and defined by local tax laws). Donations should not have a direct relation to any business-driven project and should be intended for sustainability purposes only, unless they are clearly regulated by local policies. Fees for memberships in social and charitable organizations are also considered donations.

Donations may not be offered, promised or given if they are intended to influence official action or secure an improper advantage.

Unfortunately, even legitimate donations sometimes have the risk of creating the appearance of corruption. For example, you might create this appearance when funding charitable organizations that would subsequently benefit a third party (such as a government official) in some way. The corruption risk can also be more direct when charitable contributions are made to non-existent or illegitimate charitable organizations to conceal bribes to government officials.

Contributions to industry associations, fees for memberships in organizations that serve business interests and sponsorships where OCI gets advertising in return are not charitable donations, they are sponsorships.

## **SPONSORSHIPS**

Sponsorships are defined as grants of financial support to an organization or initiative that promotes educational, social, environmental, cultural, scientific or other activities that support the common good as well as OCI's communications and sustainability business goals. They therefore also deliver a defined set of image and reputation benefits to OCI, help enhance public awareness of OCI in a given market/ target group and deliver a defined set of marketing-related benefits that will be specified in a legally binding document.

Sponsorships can nevertheless create problems if they are seen as been linked to seeking or obtaining an improper advantage.

When sponsorships result in free tickets, providing opportunities to invite guests, the rules on gifts & entertainment apply.

## **POLITICAL DONATIONS**

Political contributions refer to contributions of anything of value to support a political goal.

Examples of political contributions are:

- advisory fees;
- payments or donations, in money or in kind, to political parties, political organizations or individual politicians;
- paying employees during working hours to work at a political function;

- paying for campaign expenses.

Political contributions by companies are illegal in many countries. Therefore, you must consult with your LCO and legal department before making a political donation.

Contributions to industry associations or fees for memberships in organizations that serve business interests are not considered to be political contributions.

## **BOOKS AND RECORDS**

Keeping detailed and accurate records is a crucial component of OCI's Anti-bribery and Anti-corruption controls. OCI's accounting/ financial reporting system must, in reasonable detail, accurately and fairly reflect all transactions and dispositions of the company assets. Therefore, all managers who are involved in the upkeep of the business' accounting system must ensure this accuracy at all times, and must direct relevant employees accordingly.

The following principles must always be considered:

- False or misleading entries should never be made in OCI's books and records for any reason;
- No undisclosed or undocumented accounts or payments for or on behalf of OCI are to be maintained for any purpose;
- No cash payments that are unapproved or undocumented may be made for any kind of service done on behalf of OCI.

## **VIOLATION OF POLICY AND SANCTIONS**

Any violation of this policy must be promptly reported to your management and the LCO in the location where it is believed to have taken place.

Violations of any element of this policy could result in civil and criminal penalties against OCI and could also subject employees to prosecution, criminal fines and imprisonment. The various laws with which OCI and its employees must comply include, but are not limited to:

- The Dutch Criminal Act;
- The United States Foreign Corrupt Practices Act (FCPA), which may result in imprisonment for individual violators. The FCPA also states that fines and penalties imposed upon individuals may not be paid directly or indirectly by any corporation for which they may have acted;
- The United Kingdom Bribery Act (UKBA), which can impose unlimited fines on individuals and OCI entities as well as order imprisonment.

In line with our Code of Conduct, in addition to any criminal and civil sanctions, employees' failure to comply with any element of this policy may be grounds for disciplinary action, including termination of employment.



## DOCUMENTATION AND REGULAR REVIEW

Organisation Scope	OCI N.V.
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## **ANNEX A: DEFINITIONS**

### **Bribe**

A bribe includes payments, offers, or promises to pay, or authorizations to pay or provide anything of value, directly or indirectly, to obtain an improper personal or business advantage.

There is no minimum amount or threshold exception for bribes. OCI prohibits both the payment, offer, authorization and the receipt, acceptance of bribes.

### **Corruption**

Corruption means an activity that involves the abuse of position or power for an improper personal or business advantage, whether in the public or private sectors, and includes the receiving, acceptance, offer, payment or authorization of bribes.

### **Official**

Because different wording is often used, let it be clear that under OCI rules an official is the same as a public official and as a government official. The word 'foreign' used in laws as the FCPA (U.S. Foreign Corrupt Practices Act) or the UKBA (UK Bribery Act 2010), refers to officials of a foreign government, not being U.S. or UK. This word has no specific applicability for OCI Policy, as we conduct business in different countries and with the officials residing in such countries. Generally, this includes the following categories:

- A Public official is any officer or employee of any, national, local or municipal government whether elected or appointed (including officials holding a legislative, administrative or judicial position of any kind);
- A Public official is any person acting in an official capacity or exercising a public function for or on behalf of any government or its instrumentality such as a consultant or a professional working for a public health institution;
- Political parties, their officials, and candidates for public office;
- A Public official is any person exercising a function at any State-owned enterprises or state controlled enterprises; and
- A Public official is any officer or employee of any public international organization such as the UN or the World Bank.

It should be noted that the above is not limited to payments made to high-ranking officials and includes payments made to low-ranking officials.

### **Anything of value**

Anything of value is anything, tangible or intangible, financial or not, that provides a benefit or advantage to the recipient, including, but not limited to cash or cash equivalents, favours, contract awards, inside information, the use of property or equipment, job offers, political contributions, the payment of expenses or debts, fees, discounts, commissions, rebates.

It includes anything given, paid or received, directly or indirectly, thus including payments from Third Parties.

**Gift**

A gift is any benefit (financial or not) provided to an OCI employee by an external person or provided by an OCI employee to an external person. Benefits also include all kinds of services and the procurement of goods at a price below market value.

**Entertainment**

Any benefit, where the donor is also present, provided to an OCI employee by an external person or provided by an OCI employee to an external person in the form of meals, drinks, visits to theatres, other venues, etc. and/ or tickets to events (e.g. invitations to concerts, exhibitions, sporting events).

Inappropriate entertainment that is likely to bring OCI's reputation into disrepute is strictly prohibited. For the avoidance of doubt, OCI does not condone nor will it reimburse "adult" entertainment of any kind.

**Benefit**

Benefits should be interpreted broadly to include anything of value and might include travel, transport, accommodation, lodging or promotional items associated with other entertainment. Different wording is sometimes used for benefits or anything of value, such as corporate hospitality.