

# SOLVENTIS GROUP

## CODE OF CONDUCT, COMPLIANCE and BUSINESS ETHICS

*A message from David Lubbock*



**At Solventis we are all committed to building a great company. This Code of Conduct, Compliance and Business Ethics provides guiding principles on how to ensure we should work together to achieve that. Our culture places the utmost importance on integrity; unethical or illegal behaviour will not be tolerated. I am committed to conducting business with the highest standards of ethics and integrity as well as in accordance with all relevant laws and regulations. I expect every Solventis employee to adhere both to the letter and the spirit of this Code.**

**If you are in any doubt at all about any part of what follows, please ask, directing your questions to the Group Compliance Officer or to me.**

David Lubbock



## **1. Scope, Application, Laws and Adherence**

The Solventis Group **Code of Conduct, Compliance and Business Ethics** (“the Code”) applies to Solventis Limited, Solventis bvba, Kilfrost Europe Ltd and to each entity now or which in the future will form part of the Solventis Group (“Solventis” and/or the “Company”). It applies to all Solventis employees, directors, contractors and other Associated Persons, all of whom have a personal responsibility to be familiar with the Code and to implement it in their day to day Solventis business conduct.

Employees should not under any circumstances violate the Code in an effort to benefit the Company. Regardless of perceived benefit, an employee should never commit or condone violations of this Code.

The Company and its employees are expected to comply with all applicable laws, rules and regulations including trade and export controls in addition to the Code. If the applicable law conflicts with the Code, the law prevails.

Breach of the Code will be a disciplinary matter which may warrant dismissal and a report to relevant governmental authorities.

## **2. Anti-Bribery and Corruption**

Solventis has zero tolerance towards bribery and corruption. Solventis requires compliance with all anti-bribery and corruption laws in all markets and jurisdictions in which it operates. These laws include the UK Bribery Act, the US Foreign Corrupt Practices Act as well as other similar laws and regulations in the countries where we operate. Solventis believe that it is unethical, illegal, contrary to Solventis principles and good corporate governance to bribe or corrupt others, including to:

- Offer, provide, agree to accept or accept anything of value to induce recipients to act improperly, whether directly or indirectly (e.g. to a close family member or other closely connected person); or
- Offer or provide a facilitation payment; or
- Influence or attempt to influence public officials to obtain or retain business or an advantage in business.

### ***Gifts, entertainment and charitable giving***

Solventis shall not offer, solicit, accept or permit any gift, entertainment, charitable giving, sponsorship or other advantage without the relevant staff member being satisfied that it could not be construed as a corrupt payment, bribe, kick back or an attempt to induce business. Good judgement and reasonableness must be exercised to avoid any potential misunderstanding or adverse effect on the reputation of the Company.

If a gift is offered to an employee that is not normally associated with customary business practices, the Group Compliance Officer must approve its acceptance and it will be recorded in the Gifts Register.

Solventis employees are not permitted to make illegal payments or provide anything of value to government officials. Payments to third parties are also prohibited if a person knows or should have known that the third party will make an illegal payment to a government official.

The Group Compliance Committee will set threshold levels requiring internal approval for giving and receiving gifts, specifying the approving officer and gifts which must be recorded in the Gifts Register. The Group Compliance Committee will receive and review annually the Gifts Register.

### **3. Know Your Customer (KYC) and Know Your Transaction (KYT)**

Solventis will implement risk-based KYC and KYT procedures which enable it to identify higher risk customers and higher risk transactions which will be subject to enhanced due diligence as part of the customer take on programme, customer periodic review programme and sales due diligence. All customers will be subject to periodic KYC refresh exercise and customers will be reclassified as higher risk if justified by the review.

### **4. Higher Risk Countries**

Solventis will risk rate sovereign countries using a widely adopted methodology such as Transparency International identifying High Risk countries. All customers based in High Risk countries or products sold to High Risk countries will be subject to Enhanced Due Diligence.

### **5. Standard Due Diligence and Enhanced Due Diligence**

The Group Compliance Committee will approve the process and standards adopted by Solventis for Standard Due Diligence (SDD) and Enhanced Due Diligence (EDD), which standards will be reviewed annually. Each year the Group Compliance Officer will report to the Group Compliance Committee on the effectiveness and application of the SDD and EDD standards.

## **6. Screening**

Solventis will maintain a subscription to an internationally accepted screening tool such as World Check which it will deploy as part of the screening exercises required by the Code. Solventis shall periodically screen all existing customers and apply either SDD or EDD on them before determining whether to continue the relationship.

Solventis will as soon as practicable terminate the relationship with any existing customer which does not reasonably satisfy the criteria set out in the Code.

## **7. Sanctions**

Solventis is committed to complying with the sanctions laws and regulations of the European Union, the United Kingdom, the United Nations, the United States as well as applicable sanctions laws and regulations in the jurisdictions in which Solventis operates. Solventis will:

- Screen all customers and contracting parties against the sanctions lists issued by the European Union (EU), the United Kingdom (HMT), United Nations (UN) and the United States (OFAC);
- Screen locally against other sanctions lists that apply to Solventis's operations in a particular jurisdiction;
- Prohibit business activity, including prohibitions on commencing or continuing customer relationships or providing products or services or facilitating transactions that Solventis believes may violate applicable sanctions laws or this Code. This includes prohibitions on business activity with individuals or entities named on a sanctions list or activity, directly or indirectly, involving countries or territories subject to comprehensive sanctions. As of January 2018, these countries and territories include Cuba, Iran, Libya, North Korea, Sudan, Syria and the Crimea region;
- Restrict certain business activity involving, directly or indirectly, countries or persons subject to more selective or targeted sanctions programmes. These sanctions apply restrictions on some types of products or services or target certain industry sectors and include Belarus, Russia, Ukraine and Zimbabwe;
- Investigate all customer alerts or transactions that are highlighted in Solventis's screening systems recognising that this may result in delays to the processing of customer transactions while additional due diligence is conducted, and information obtained on the nature of the underlying transaction or the parties involved;
- Report breaches of sanctions laws to the relevant regulatory authority. This can include any attempt by a customer to evade sanctions laws.

Any proposed dealing with a country or entity subject to any sanction is prohibited without a valid license and approval of the Group Compliance Committee, secured via the Group Compliance Officer.

## **8. Export Control**

The EU and other governments have laws and regulations that govern the export of products from one country to another. Solventis policy is to comply with all applicable export regulations worldwide. Export laws and regulations constantly change; if there is any doubt please check the proposed transaction before it happens with the Group Compliance Officer.

## **9. Group Compliance Officer**

Solventis will appoint a Group Compliance Officer (“GCO”) who shall have responsibility for the day to day application of the Code. The GCO will report to the Group Compliance Committee and will have an additional reporting line to the Chairman of Solventis.

The duties of the GCO include ensuring that:

- Solventis implements an effective Know Your Customer process including a suitable risk assessment process;
- Solventis implements an effective Know Your Transaction process harnessing, as appropriate, end use statements;
- Solventis applies a risk rating to all countries to which it ships or sells any goods or products;
- Solventis reviews and updates its SDD and EDD standards so that they remain effective;
- Solventis has identified which chemicals are subject to controls by relevant, applicable legislation and conventions and has appropriate control measures in place and a detailed inventory;
- Solventis has systems and procedures in place that identify which licenses or export notifications are required for export of goods from UK and Belgium and that applicable licenses/notifications are obtained before goods are shipped thus ensuring no exports are made without the relevant export license;
- Solventis makes and retains for 5 years after a transaction all necessary records of the transaction including shipment and consignee;
- all relevant Solventis staff, directors and contractors undergo suitable risk based initial and refresher training including training applicable for job role and accountabilities;
- Suspicious Activity Reports are promptly filed with the relevant authorities as soon as it is practicable when it is necessary to do so fully recognising the necessity of not tipping off;
- the Board receives a report as required and at least twice a year on compliance within Solventis including staff awareness, robustness of processes, timeliness and accuracy of information received by GCO and submitted by GCO to Board and Group Compliance

Committee, adequacy of resources and what additional steps could be taken to achieve the goal of continuous improvement in approach to controlled chemicals;

- Solventis is up to date with international requirements on controlled chemicals.

The Board will approve each year the job description of the GCO.

## **10. Associated Persons**

An Associated Person is any person, company, other organization or legal entity that performs a service in the Company's name, represents the Company in an official capacity, acts on its behalf or acts in place of other Company staff or representatives.

All Associated Persons will adhere to the Code when performing Solventis business.

## **11. Harassment, Discrimination and Workplace Violence**

Every employee, director, contractor and Associated Person shall be treated with respect and all forms of harassment or discrimination are prohibited.

## **12. Conflicts of Interest**

No person or entity subject to the Code may benefit or seek to benefit from the relationships that the Company has with its customers or suppliers. All employees, directors, contractors and other Associated Persons must be free from the influence of personal considerations when representing the Company in transactions with outside parties, when making recommendations related to such transactions or when making decisions about such transactions.

No Solventis employee may work for suppliers or consultants whose primary business is similar to the Companies activities without the prior written consent of the Company during (i) the continuation of their employment with the Company; and (ii) for a period of 6 months after they cease their employment. A request for approval must be directed to Group Compliance Officer.

## **13. External Communications**

Only authorised employees, directors or appointed experts may speak as a Solventis representative on or about Solventis business with the press, or at external events, conferences, industry tradeshows or forums.

#### **14. Protection and Use of Company Information**

Information is a valuable Solventis asset. The protection of Company information from unauthorised use, disclosure or destruction is the responsibility of every Solventis employee. Company information should ONLY be used for approved Company purposes. Information cannot be used for personal financial profit or other advantage.

#### **15. Reporting Integrity and Records Management**

Company records must be true, accurate and complete including accounting records. All Company records in physical or electronic form must be retained in accordance with the Record Management Guidelines issued by the Company.

Employees must not directly or indirectly take any action to manipulate or mislead any internal or external auditor in the performance of an audit.

#### **16. Health, Safety, Environmental & Security (HSES)**

Solventis will carry out its business in a manner consistent with sound health, safety, environmental and security practices and applicable laws and regulations. There are numerous laws regulating such activities and it is the responsibility of all relevant employees to have a working knowledge of applicable HSES laws and regulations relevant to their area of responsibility.

#### **17. Computer, email and Internet**

Employees are responsible for properly using the Company's computer system, including its email and internet. Computers and email should be used for conduct of the Company's business. It is prohibited to use the Company's computer systems to send or receive messages or files that are illegal, sexually explicit, abusive, offensive or could otherwise bring the Company into disrepute.

#### **18. Data Protection**

Solventis respects the right to privacy and Solventis and its employees will comply with all applicable laws and regulations regarding the collection, processing and use of personal data. Any illegal collection, processing or use of personal data of our employees, suppliers, customers and third parties is strictly prohibited. All personal data must be safeguarded with appropriate care and protected against unauthorised access by third parties.

## **19. Training**

As part of the prevention, identification and remediation of issues covered in this Code, mandatory training will be conducted throughout Solventis with the content, tailored to the roles of the participants. Training and awareness will cover current export licensing and sanction regimes and trade control on chemicals so that appropriate job holders reach and maintain proficiency and skills in relation to all aspects of controlled chemicals.

The Board will satisfy itself that the GCO has attended requisite and necessary training programmes for performance of the GCO role.

The Group Compliance Committee will review Solventis training and training records annually.

## **20. Board Oversight and Governance**

The Board is responsible for ensuring that Solventis has a suitable compliance culture and that the Code is part of the day to day business activity of Solventis. Adherence to the Code will be formally discussed by the Board every 6 months and on an interim basis as necessary.

Any material breach of the Code will be brought to the attention of the Board within 5 working days and all breaches at the next Board meeting.

The Board will appoint a Board Group Compliance Committee to assist it in discharging its responsibilities.

The Board will conduct a review annually of the effectiveness of the Code including its understanding by staff, directors and contractors, frequency and character of breaches, remedial steps to prevent recurrence and adequacy, timeliness and availability of records.

The person holding the role of GCO will not be dismissed by Solventis without prior agreement of the Board and the GCO will have an exit interview with an independent member of the Board.

## **21. Seeking Guidance and Raising Concerns/Whistleblowing**

Employees should promptly bring to the Company's attention any genuine concern about an actual or potential violation of the Code or any applicable law by reporting the matter to the GCO, the Chairman of the Board or the Chairman of the Group Compliance Committee, with no fear of retribution.

When dealing with an actual or potential contravention of the Code employees have a right to seek and obtain advice and guidance from the GCO.

All whistleblowing reports will be investigated.



## **22. Assurance**

Solventis will carry out regular, risk-based assessments, monitoring and testing of the Code.

The Code has been reviewed and approved by the Board. Any variation from or non-application of the Code requires prior written approval of the Board Compliance Committee.

Approved by the Board

Dated: 31<sup>th</sup> July, 2018