



## ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

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## I. PURPOSE

This is the compliance policy for CECO Environmental Corp. ("CECO" or the "Company") with the US Foreign Corrupt Practices Act (the FCPA), the UK Bribery Act, and any other related laws of the United States and other countries in which Company does or intends to do business. Company reserves the right to amend, rescind or replace this policy at any time.

## II. SCOPE

This policy applies to all CECO legal entities worldwide owned directly or indirectly by Company, including all its operating units, subsidiaries, and affiliates. For purposes of this policy, the term "Company" is deemed to refer to and include all of the above-mentioned entities, its directors, officers, Agents, consultants and all Company Employees worldwide. For the purposes of this policy, "Company Employees" include all complementary/contingent workers - all Third Parties acting for and on behalf of Company, wherever they are located.

## III. DEFINITIONS

**"Agent"**: Any individual acting as an agent, paid by Company, acting on the Company's behalf in negotiating with Third Parties.

**"Bribery" / "Corruption"**: Bribery occurs when one person offers, pays, seeks or accepts a payment, gift, favor, or a financial or other advantage from another to influence a business outcome improperly, to induce or reward improper conduct or to gain any commercial, contractual, regulatory or personal advantage - whether involving Government Officials, or commercial entities, including joint ventures. It can be direct or indirect through Third Parties like Agents, brokers and joint venture partners. It includes Facilitation Payments even though in some countries Facilitation Payments are legal.

**"Donation"**: A Donation is a voluntary contribution in the form of monetary or non-monetary Gifts to a fund or cause for which no return service or payment is expected or made. Contributions to industry associations or fees for memberships in organizations that serve business interests are not necessarily considered Donations.

**"Employee"**: For the purposes of this policy this includes all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home-workers, casual workers and agency staff, volunteers, interns, Agents, sponsors, or any other person associated with us, or any of our subsidiaries or joint ventures or their employees, wherever they are located.

**"Facilitation Payments"**: A form of Bribery in which small payments are made with the purpose of expediting or facilitating the performance by a Public Official of a routine Governmental action and not to obtain or retain business or any other undue advantage.

**"Gifts, Invitations & Hospitality"**: Invitations given or received to social functions, sporting events, meals and entertainment, gifts, or customary tokens of appreciation.

**"Intermediary"**: Includes but is not limited to Agents, distributors, consultants, sales representatives, implementation partners, sales partners.

**"Kickback"**: A bribe to obtain an undue advantage, where a portion of the undue advantage is 'kicked backed' to the person who gave, or is supposed to give, the undue advantage.

**"Knowledge"**: if the Employee

- is aware that a corrupt payment is behind made,
- is aware that a corrupt payment is likely to occur, or
- or has reason to know that a corrupt payment is likely to occur. Refusal to know, deliberate ignorance, conscious disregard, and willful blindness are treated as "knowledge" for purposes of this policy.

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**“Foreign Official”:** It means any officer or employee of a non-U.S. Government or of any department, agency, or instrumentality thereof, or of a designated public international organization, or any person acting in an official capacity for or on behalf of any such Government or department, agency, or instrumentality, or for or on behalf of any such public international organization. Public international organizations, for purposes of the FCPA, are designated from time to time by Executive Order of the President of the United States. The current list includes the United Nations, the World Bank, the International Monetary Fund, the International Red Cross, the World Trade Organization, and many other organizations. Foreign officials include employees and representatives of non-U.S. Government departments or agencies, whether in the executive, legislative, or judicial branch of a Government, and whether at the national, state, or local level. Foreign officials also include officers and employees of companies under non-U.S. Government ownership or control, such as national oil companies. The basic FCPA prohibitions also apply to any non-U.S. political party, party official, or candidate for political office.

**“Sponsorship”:** Sponsorship is about partnering with external organizations to deliver mutual benefits through an exchange of monies, products, services, content or other intellectual property.

**“Third Party”:** Any individual or organization you come into contact with during the course of your work for Company. This includes actual and potential customers, suppliers, business contacts, Intermediaries, Government and public bodies, including their advisors, representatives and officials, politicians and political parties.

**“Government”:** An agency, instrumentality, subdivision or other body of any national, state or local government, including hospitals or other health facilities which are owned or operated by a government, and including regulatory agencies or government-controlled businesses, corporations, companies or societies.

**“Government Official”** includes:

- Any official or employee of a Government, including any political party, administrative agency, or Government-owned business;
- any person acting in an official capacity on behalf of a Government entity;
- Employees or Agents of a business that is owned or controlled by a Government;
- any person or firm employed by, or acting for or on behalf of, any Government;
- any political party official, employee or agent of a political party, or candidate for political office (or political party position); and
- any family member or other representative of any of the above.

**“Improper Advantage”:** It includes payments intended to wrongfully:

- Influence a decision by an official, including a failure to perform his or her official functions;
- induce an official to use his or her influence to affect a decision by someone else in his or her Government; and
- induce an official to use his or her influence to affect or influence any act or decision;
- reducing taxes or duties, “looking the other way” at minor code or rule violations, and any form of preferential treatment.

## IV. BACKGROUND

### A. Foreign Corrupt Practice Act

#### Anti-Bribery Prohibitions

The FCPA is a U.S. criminal statute that prohibits improper payments to, or other improper transactions with, non-U.S. officials to influence the performance of their official duties. In general, the anti-bribery provisions of the FCPA prohibit giving, paying, promising, offering, or authorizing the payment of anything of value, directly or indirectly through a Third Party, to any Foreign Official,” a term that is very broadly defined, to obtain or keep business or to secure some other Improper Advantage.

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## **Accounting and Record-Keeping Requirements**

In addition to prohibiting Bribery, the FCPA requires U.S. companies and their majority-owned affiliates to maintain adequate internal controls and to keep accurate and complete records of the transactions they undertake. The FCPA also requires those companies to make good-faith efforts to cause the ventures in which they own minority interests to keep such records and maintain proper internal controls.

## **Jurisdiction**

The FCPA applies to U.S. persons or business entities anywhere in the world, to issuers of securities regulated by the U.S. Securities and Exchange Commission, and to any person, whether a U.S. person or not, who takes an action in the U.S. in furtherance of a prohibited payment. U.S. nationals and residents remain subject to the FCPA regardless of where they are located.

## **Facilitating Payments**

The FCPA contains a narrow exception for Facilitating Payments made to secure routine Governmental actions. Such Facilitating Payments are not legal under the laws of the majority of countries, and Company prohibits such payments except in extremely rare circumstances with Legal Department endorsement in advance.

## **B. UK Bribery Act**

The U.K. Bribery Act became effective July 1, 2011, and repeals and replaces prior U.K. Bribery laws.

## **Anti-Bribery Prohibitions**

The U.K. Bribery Act has four discreet Bribery-related crimes. The first is bribing another person by giving, offering, or promising a financial or other advantage linked to improper performance by the recipient of a public or business function. The second offense is the crime of requesting, agreeing to receive, or accepting such advantage in exchange for improper performance of a public or business function. These first two offenses apply to both Government Officials and commercial parties. The third offense is that of bribing a Foreign Official. Unlike the FCPA, the offense of bribing a public official does not require “corrupt intent” but rather only the intent to influence the official for the purpose of obtaining or retaining business. Also, unlike the FCPA, there is no affirmative defense/safe harbor for certain types of interactions with Government Officials. However, the U.K. prosecutorial guidance recognizes that customary, reasonable, and proportionate business hosting and entertainment is legitimate. As with the FCPA, good judgment is required, and the United States Government Contracts Compliance Policy and Gifts and Entertainment Policy should be followed. The fourth offense is the failure of a commercial organization to prevent Bribery by its Employees or other “associated persons” deemed to be acting on its behalf. The scope of who is considered an “associated person” of an organization is not defined in the U.K. Bribery Act, and no intent by the commercial organization is required.

## **Jurisdiction**

The intent of the U.K. Bribery act is to have broad jurisdiction, including extraterritorial jurisdiction. The U.K. Bribery Act applies to U.K. citizens, nationals, subjects and residents; citizens of British Overseas Territories; U.K. entities and Scottish partnerships; non-U.K. persons or entities who commit Bribery in the U.K.; and non-U.K. companies who carry on business in the U.K.

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## Hospitality and Promotional Expenditures

Reasonable and proportionate incidental business Hospitality of a small value which seeks to improve Benchmark's image, to better present Benchmark's services, or to establish a cordial business relationship is permissible under the U.K. Bribery Act, provided that the purpose of the Hospitality is not to induce improper action or secure an improper business advantage. Whether the Hospitality is provided for bona fide reasons and the reasonableness and proportionality of the Hospitality will be determined by the surrounding circumstances.

## Facilitating Payments

The U.K. Bribery Act contains no exception for Facilitating Payments, and such payments are prohibited by the U.K. Bribery Act.

## V. POLICY

### A. Dealing with Governments and Public Officials

Under no circumstance shall any Company person give, pay, offer, promise to pay, or authorize the giving or payment of money or anything of value to any Government Official in order to obtain or keep business or to secure some other Improper Advantage. In essence, applicable Corruption laws prohibit the giving of anything of value to influence a Government Official's actions. Prohibited payments include, but are not limited to, those designed to:

- Induce the recipient to award a contract to Company;
- obtain advantageous tax or customs treatment that would not otherwise be available to Company; or
- circumvent or cause non-enforcement of laws or regulations applicable to Company.

The prohibition on Bribery applies to the giving of anything of value, not only money. This includes providing business opportunities, favorable contracts, stock options, Gifts and entertainment. Such payments are barred even if:

- The benefit is for someone other than the party making the payment.
- The business sought is not with the Government.
- The payment does not in fact influence the Government Official's conduct.
- The Foreign Government Official initially suggested the payment.

### B. Due Diligence/ Red Flags

To ensure compliance with the illegal payment provisions of the FCPA, Company must exercise caution in dealing with sales Agents, distributors, or partners ("Agents"). The primary danger of a violation of the FCPA remains in the activities of a foreign sales Agent steeped in another culture, particularly in a country where illicit payments may be prevalent. Company should be on the lookout for "red flags" that might indicate a potential violation of the FCPA.

Examples of some questions to ask in an effort to identify "red flags" are:

1. What is the country in question? Company cannot ignore history, and special caution should be exercised in a country with a tradition of FCPA violations.
2. What is the reputation of the Agent?
3. What is the amount of the commission? A high-risk situation might exist when the commission is above the "going rate."
4. Has there been a request that Company provide an invoice substantially in excess of the actual sales price for the goods supplied?
5. Has the Agent refused to provide representations on his conduct (such as whether he is aware of the FCPA and has taken no action that would violate the FCPA)?

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## **C. Third Party Contracts**

Written contracts govern CECO's relationships with Third Parties in connection with Company's international business dealings and shall include the necessary terms, conditions and protections for Company as it regards the FCPA and related laws, including Company's right to audit.

### Third Party Payments

To ensure that payments to Third Parties are not used for Bribery or Corruption, Company shall maintain the necessary internal controls for the review and approval of payments to international Third Parties, to include but not limited to:

- Commissions (Calculations and Awards)
- Expense Reports
- Other Reimbursements

## **D. Consequences of Non-Compliance/ Penalties & Fines**

### Under FCPA

The FCPA has both criminal and civil penalties and is aggressively enforced by the U.S. Department of Justice and the Securities and Exchange Commission.

Criminal penalties for willful violations of the books and records provisions by an individual include fines up to \$5 million per violation or imprisonment up to 20 years, or both. Companies may be fined up to \$25 million per violation.

For a violation of the anti-bribery provisions, an individual may be fined up to \$250,000 or imprisoned for up to 5 years, or both. Companies may be fined up to \$2 million per violation. Under alternative sentencing provisions, those penalties can be increased significantly.

A Company can suffer serious consequences even if it is not convicted of indictment under the FCPA may trigger significant sanctions, such as debarment from Government contracts. Also, FCPA prosecutions often include charges of other criminal violations, such as mail and wire fraud, money laundering, and conspiracy, and may lead to civil claims against Company.

FCPA violations, moreover, can trigger investigations by non-U.S. Governments, with the risk of penalties under local laws and loss of goodwill.

### Under UKBA

The U.K. Bribery Act has both criminal and civil penalties against corporations and individual Employees.

The maximum penalty for an individual convicted of Bribery under the U.K. Bribery Act is 10 years imprisonment, with an unlimited fine. A senior officer of a Company who is a British citizen or resident can also be held liable for the actions of a Company if it can be shown that the entity committed Bribery with the official's consent or connivance. Senior officer is defined broadly as a director, manager, secretary or other similar officer.

A Company convicted of Bribery under the U.K. Bribery Act can be subject to an unlimited fine. Additionally, Company may be debarred from competing for public contracts.

## **E. Reporting Violations**

Every Employee must report actual, potential, or suspected Corruption in Company or by any individual or organization with whom Company does business. Failure to do so may result in liability for Company and for you personally. You must report any request for an improper payment, or any indication that a person might be making

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corrupt payments or that a person has an intention or plan to violate this policy. You have a similar obligation to report any information or Knowledge of any hidden fund or asset, of any false or artificial entry in Company's books and records, or any payment that circumvents Company's internal financial processes. Reports must be made immediately. Your report may be made to or on an anonymous basis using our ethics hotline. If any instance of Bribery or Corruption is identified, an investigation will take place under the guidance of the Compliance Officer or his or her nominee.

You can also contact the Legal Department ([legal@onececo.com](mailto:legal@onececo.com)) or the CECO Business Ethics hotline

US/Canada: 1-800-461-9330  
International (call collect): 1-720-514-4400  
Web-based submission: - [www.convercent.com/report](http://www.convercent.com/report)

to seek advice on anti-bribery and Corruption issues or to make suggestions for how we could improve our anti-bribery and Corruption policy and procedures.

#### Acting in Good Faith & Non-Retaliation

Company will not allow any retaliation against any Company member who acts in good faith in reporting any violation of this policy. The Company will investigate reported violations and will determine an appropriate response, including corrective action and preventative measures, and will involve the Chair of the Audit Committee or Chief Financial Officer when required. All reports will be treated confidentially to the extent possible.

#### Contact Information for Clarifications

Any questions regarding the applicability or effect of the FCPA, and other applicable anti-corruption laws, with regards to any transaction or activity by Company or by any Employee on behalf of Company should be directed to the Legal Department ([legal@onececo.com](mailto:legal@onececo.com)). It should always however be kept in mind that every Employee has direct, personal responsibility for complying with the FCPA and may therefore wish to seek guidance from his or her own counsel as well.

### **F. Gifts, Entertainment, Travel, and Hospitality Guidelines**

Gifts in the business context can be an appropriate way for business people to display respect for each other. Company expects the use of good judgment and moderation when giving or receiving entertainment or Gifts. Guidelines and prohibitions for gift giving and receiving are detailed in Company's Gifts and Entertainment Policy. Following are a few guidelines specific to Gifts for Government Officials:

#### Gifts or Entertainment Provided to Government Official

While Company's Gifts and Entertainment Policy always applies, more significant prohibitions apply with regard to providing Gifts, entertainment, travel and promotional expenditures related to Government Officials due to significant legal restrictions. You must make sure you fully understand all such restrictions and associated policies and procedures, including Company's United States Government Contracts Compliance Policy.

### **G. Facilitating Payments**

Facilitating Payments are small payments paid to non-U.S. Government Officials to expedite or facilitate non-discretionary actions or services, such as obtaining an ordinary license or business permit, processing Government papers such as visas, providing police protection, providing telephone, power or water service, or loading or unloading of cargo.

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#### Under FCPA:

The FCPA contains a narrow exception for Facilitating Payments made to secure routine Governmental actions. Such Facilitating Payments are not legal under the laws of the majority of countries, and Company prohibits such payments except in extremely rare circumstances with General Counsel approval in advance.

If you have routinely made Facilitating Payments to non-U.S. Government Officials or encounter a situation that you believe may require a Facilitating Payment, contact Company's Legal Department ([legal@onececo.com](mailto:legal@onececo.com)) immediately.

#### Under UKBA:

The U.K. Bribery Act contains no exception for Facilitating Payments, and such payments are prohibited by the U.K. Bribery Act.

#### Extortion/Duress

Requests or demands for a bribe or other payment might take the form of a personal threat to the health or safety of a person. If a demand for a bribe or payment request is made, you must notify the General Counsel ([ogc@onececo.com](mailto:ogc@onececo.com)) as soon as possible. If there is a threat made to your health or safety, you should take whatever action you deem appropriate to ensure your safety. If you are not able to notify your Company's General Counsel in advance of making a payment, you must notify the General Counsel as soon as possible after making the payment and document any transactions in accordance with the provisions of this policy.

### **H. Records and Internal Accounting Controls**

The record-keeping provisions of the FCPA require publicly held U.S. companies such as Company to keep their books, records, and accounts in reasonable detail, accurately and such that they fairly reflect all transactions and dispositions of assets. Thus, the FCPA prohibits the mischaracterization or omission of any transaction on a Company's books or any failure to maintain proper accounting controls that results in such is a characterization or omission. Keeping detailed, accurate descriptions of all payments and expenses is crucial for this component of the FCPA.

Accordingly, Company Employees must follow applicable standards, principles, laws and Company practices for accounting and financial reporting. In particular, Employees must be timely and complete when preparing all reports and records required by management. In connection with dealings with public officials and with other international transactions explained in this FCPA Policy, Employees must obtain all required approvals from the Legal Department and, when appropriate, from foreign Governmental entities. Prior to paying or authorizing a payment to a Foreign Official, Company Employees or Agents should be sure that no part of such payment is to be made for any purpose other than that to be fully and accurately described in Company's books and records. No undisclosed or unrecorded accounts of Company are to be established for any purpose. False or artificial entries are not to be made in the books and records of Company for any reason. Finally, personal funds must not be used to accomplish what is otherwise prohibited by Company policy.

### **I. Employee Training & Certification**

From time to time, Company personnel may be required to complete FCPA training and sign a certification acknowledging commitment to, full understanding of, and compliance with this policy. Any Company personnel who violate this policy or who fail to make or falsify any certification required under this policy may be subject to disciplinary action, up to and including termination of employment or of the business relationship.

### **J. Political Contributions**

Company does not make contributions to candidates for foreign political office unless preapproved in writing by the Chief Executive Officer and General Counsel of Company. Employees and Representatives may not make

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political contributions, in cash or otherwise, through or on behalf of Company, without the prior authorization noted above.

#### K. Complying with Code of Conduct & Law

Company requires its Employees and Commercial Representatives to comply strictly with this policy and Company's Code of Business Conduct and Ethics and all applicable legal requirements relating to Bribery, Corruption, and improper payments in each jurisdiction where Company conducts business. Bribes, Corruption and improper payments are not restricted to cash payments.

#### L. Improper/ Prohibited Payments

Employees or Representatives shall not, either on their own or at the request of any individual, commit a corrupt act or make, offer to make, authorize, solicit, or accept any bribe to or from any individual for the purpose of influencing, inducing, or rewarding any act, omission or decision to secure an Improper Advantage, obtain or retain business. In essence, Company prohibits *quid pro quo* payments whereby the payment is made with the expectation of receiving in return an improper benefit or advantage. Improper payments, or acts that create the appearance of promising, offering, giving or authorizing payments prohibited by this policy, will not be tolerated.

#### M. Corrupt Intent

The person making or authorizing the payment, offer or promise must have a corrupt intent to induce the prohibited recipients to misuse his or her official position. The act does not require that the corrupt act be successful or even attainable for liability to attach. Any payment, offer or promise of payment that is intended to improperly influence an official act of the recipient will violate the act, even if unsuccessful.

#### N. Commercial Bribery

Company also prohibits commercial Bribery which involves a situation where something of value is given to a current or prospective business partner with the intent to improperly obtain business or corruptly influence a business decision.

### VI. RELEVANT TOOLS AND RELATED POLICIES

- a. CECO Code of Conduct.
- b. Gifts & Entertainment Policy.
- c. United States Government Contracts Policy.

### VII. RESPONSIBILITY, REVISION HISTORY, AND APPROVALS

#### A. Responsibility for policy and policy adherence

Policy Owner	Policy Owner Title	Policy Group	Policy Number	Policy Name
Chasity Henry	General Counsel	Corporate Governance	CG-0012	Anti-Corruption and Anti-Bribery Policy

#### B. Revision/review date

Last Review date	Changes or Revisions	Next Review Due	Nature of revisions	Reviewed by/ revised by
New	N/A	01/01/2022	N/A	New

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**C. Approval**

Policy Number: CG-0012

Approved Date: 02/04/2021

Effective Date: 02/08/2021

Approver Title General Counsel

Approver  
Signature

*Chasity Henry*

Final Approver Chief Executive Officer

Title

Final Approver  
Signature

*Toad R. Gleason*

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