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1 PURPOSE

The purpose of this policy is to outline the company's stance against bribery and corruption, while promoting ethical behavior and integrity in business transactions.

1.1 Target Group

The policy's intended audience is every employee at InflowControl.

2 REFERENCES

1. Doc. id.: 349 – Code of Conduct

3 DEFINITIONS AND ABBREVIATIONS

Term	Definition
-	

4 INTRODUCTION

InflowControl is dedicated to upholding high ethical standards and adhering to all applicable and regulations, as outlined in its established Values and Code of Conduct. This policy outlines the company's stance on anti-corruption and bribery, including its principles and consequences.

InflowControl recognizes the importance of building relationship and creating connections with its customers, suppliers, authorities, and others. However, it is our joint responsibility to communicate with people in a manner that is consistent with our principles and any applicable laws. Furthermore, it is our obligation to be transparent about the fact that we do not engage in unethical behavior that falls outside acceptable frames of activity.

Corruption severely impedes economic development, distort competition, and undermines the rule of law. Therefore, InflowControl and its employees must strictly adhere to local and international laws which prohibit engaging in any form of corruption, such as bribery of public and/or private sector officials. Each InflowControl company subsidiaries is responsible for understanding the consequences of engaging in corruptive actions, as well as understanding the specific anti-corruption laws and guidelines applicable to its operations, including adopting additional anti-corruption policies, as necessary, to comply with those laws.

InflowControl is committed to working actively against corruption and bribery. We expect everyone to adhere to our Values and Code of Conducts. This policy serves as an essential component of our common effort to combat corruption.

4.1 About This Policy

This policy applies to and is mandatory for all InflowControl entities, affiliated companies and all InflowControl employees.

It is the responsibility of each InflowControl business unit to ensure that all activities related to InflowControl are conducted in compliance with this policy. Process owner is responsible for making the policies known in their organization and promoting a culture of awareness and compliance, as well as for monitoring compliance.

This policy outlines the basic requirements that InflowControl employees should follow to avoid engaging in any form of corruption. These requirements include, but are not limited to, abstaining from bribery of government and/or private sector officials, and adhering to local and international laws and regulations.

It is important to remember that this policy is not exhaustive, and InflowControl employees must use their best judgement to avoid unethical behavior that is not covered in this policy.

4.2 Legal Framework

All employees of InflowControl and its subsidiaries must be aware of and strictly adhere to the anti-corruption laws and guidelines of the Norwegian Penal Code and other national anti-corruption legislation (such as the US Foreign Corruption Practices Act and UK Bribery Act).

These laws apply regardless of the country in which the actions have been carried out and regardless of whether those actions are considered legal in that country. This means that citizens and companies can be prosecuted for acts committed anywhere in the world, even if those acts are not illegal in that country.

It is essential for each InflowControl company to ensure that these laws and guidelines are made known throughout the organisation and that appropriate steps are taken to ensure compliance with them.

4.3 What is Corruption?

4.3.1 Definition(s)

Anti-corruption laws may vary from country to country, but most anti-corruption laws share a common core definition of corruption.

To InflowControl's anti-corruption policy, corruption will include any attempt to directly or indirectly, i.e., through middlemen:

- Give or offer someone an improper advantage based on position, assignment, or duty (active corruption), or
- Demand, receive or accept an offer to receive an improper advantage based on position, assignment, or duty (passive corruption)

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4.3.1.1 What is an "Improper Advantage"?

Any benefit provided in return for the misuse of the receiver's position, task or assignment will generally be considered an improper advantage.

An improper advantage, as the term implies, does not follow the proper guidelines or accepted standards when it comes to providing benefits. These benefits may come in the form of cash, or something with economic value, such as a gift or invitation to a private organization or club. However, there are also benefits that don't necessarily have monetary value but may still be seen as improper depending on the circumstances. This could be in the form of services rendered for free or at a discounted rate, or invitations to private organizations or clubs, which could give the recipient an unfair advantage over others - an advantage that is not related to their position, task, or assignments.

The most evident examples of corruptive improper advantage are:

- Paying to obtain a contract
- Receiving payment (cash, gifts, or services) personally

4.3.1.2 Bribery or "Trading in Influence"

Bribery or trading in influence is an offer (or acceptance) of an improper advantage to someone who can influence a decision. A benefit is recognized as bribery where a company or a private person receives a benefit that may influence important decisions that he it/he/she would not receive in free competition.

By definition, bribery is corruption.

4.3.1.3 Facilitation Payments

Facilitation payments are payments to secure the performance of routine governmental actions ordinarily performed by lower-level officials.

Facilitation is corruption by definition.

4.3.1.4 Public and Private Sector Payments

Most national regimes prohibit corrupt payments to any person, both in the public and private sector.

Any kind of corrupt activity, whether this activity is related to a position, assignment or duty within the public or private sector, falls within InflowControl's anti-corruption policy.

4.3.1.5 Liability for Corrupt Acts of Agents and Other Representatives

Corruption may also include payments made by agents, subsidiaries, affiliates, or others acting on behalf of the parent company or as part of the parent company.

4.4 General Principles

InflowControl, its subsidiaries, and all InflowControl employees are committed to working actively against corruption and bribery.

InflowControl shall act in an open, ethical, and lawful manner towards all potential or existing customers, suppliers, and public officials. All contractual obligations must be met, and any deviations must be approved by appropriate line management and properly documented in a company records.

4.4.1 Payments and Expenses

No payments in cash or similar shall be accepted, nor payments to unconfirmed recipients or account numbers. Under no circumstances may any InflowControl employee receive cash or any kind of improper benefit from a supplier, business partner or public officials, including personal rebates, kickbacks, undocumented discounts, etc.

All sales and marketing activities, coverage of third parties' expenses, payments, and contract performance on behalf of InflowControl must be conducted openly and transparently, both internally and externally. All expenses must be pre-approved according to company procedures, and must be documented and recorded accurately, in accordance with applicable accounting standards.

4.4.2 Accurate Accounting

InflowControl is committed to transparency in all its operations. All entities within the company must ensure that transactions are properly documented in accordance with local and international accounting standards.

Anti-corruption laws requires that InflowControl has in place effective internal accounting controls in place and must maintain books and records that accurately reflect the company's transactions. No payments may be falsely recorded in the company's books.

These measures follow the anti-corruption law and are essential for InflowControl to adhere to its ethical standards.

4.4.3 Public Officials

Special care needs to be taken in relation to officials and especially in situations where the recipient at the time is in a particular position to make a discretionary decision or act that could be beneficial to InflowControl.

Bribing an official to obtain a service, contract, approval, or certificate is clearly corruption. Similar activities may include situations like:

- paying for illegitimate or unlawful travel or entertainment expenses for officials or their family members,
- agreeing to purchase goods or services from officials or their friends or family members in return for favors,
- donating to a charity linked to an official in expectation of a benefit from that official

4.5 Travel and Entertainment Expenses

Payment for reasonable costs associated with seminars, travel, meals, lodging, and entertainment for potential or existing customers may be allowed if the expenditures are directly connected to the promotion, launch, training, or other activities related to InflowControl or InflowControl's products or services.

If InflowControl pays for the participants' expenses, such payments:

- Must be directly related to marketing, business development or contract performance expenses
- Must be provided in an open and transparent manner
- May not be provided, or appear to be provided, in expectation of or return for any benefit
- Must be reasonable in amount, and appropriate under the circumstances
- Must be verified through reasonably detailed documentation of actual expenses

In addition to this, payment of travel, meal, lodging or entertainment expenses for family members or friends of government officials is not permitted.

Any invitation for individuals to participate in events or activities fully or partly paid by InflowControl shall be addressed to the relevant line management.

InflowControl employees may accept coverage for reasonable expenditures from suppliers or others in line with the principles in this section, and only after the prior approval of the immediate superior.

Business invitations or arrangements to visit prostitutes are unacceptable.

4.6 Gifts

Exchanging gifts with customers, suppliers and business partners is a customary part of international business, and is fully legal, if the gifts are kept within the confines of what is recognized as "customary".

Under no circumstances should InflowControl offer or accept gifts of cash.

Gifts other than cash will normally be customary if they are:

- Of minimal economic value (USD 100)
- Marked with a company logo
- Clearly appropriate under the circumstances in the relevant country

Gifts must not be given in a context where there are reasons to suspect that the recipient will keep such gift or benefit hidden from his or her superiors, e.g., gifts should be addressed to the recipient's working address, i.e., company or public entity office address. Gifts must not be provided or accepted in return for any benefit.

4.7 Political Contributions

Political contributions, such as donations to a political campaign or fundraising efforts of public officials to enable them to run for office, may constitute trading in influence, which is against InflowControl's Code of Conduct. Such activities are strictly prohibited, and all employees must adhere to the relevant laws and regulations.

4.8 Facilitations Payments

In accordance with applicable anti-corruption legislation, InflowControl has a general policy against facilitation payments. However, in certain extortion-like situations, facilitation payments may be necessary and justifiable to avoid significant harm to InflowControl's values or legitimate business interests.

It is important to note that these payments should be distinguished from those made in situations of true extortion, such as when faced with a direct threat of an unlawful damaging act against InflowControl's property.

Furthermore, payments made to ensure personal health or safety are generally considered legitimate acts of necessity.

4.9 Relations with Partners, Agents, Distributors, Consultants and Other Representatives

InflowControl entities must exercise due diligence and take appropriate measures to guarantee that InflowControl's agents, distributors, consultants, and other representatives obey InflowControl's anti-corruption policies.

4.9.1 InflowControl's Business Partners

Each InflowControl entity shall take reasonable steps to ensure that InflowControl's business partners, including suppliers, customers and joint venture partners do not engage in any form of corruption, bribery, or other illegal or unethical activities in relation to any business involving InflowControl. Such activities are strictly prohibited and can severely impede economic development, distort competition, and undermine the rule of law.

The requirement of due care will vary depending on the circumstances, but will always include the following steps:

- Conducting integrity due diligence screening of potential agents/representatives before engagement, meaning that it should be a real company with real business purposes, under which the relevant services fall under
- Formalizing the engagement by a written contract, including a clear description of the performance of work and provisions, including the possibility to leave a contractual obligation in case of corruption or bribery
- Ensuring that the payment for the services rendered is reasonable in relation to the services to be performed
- The methods of payment shall be transparent and in accordance with applicable law

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and good business standards

- Payments in cash are generally not permissible, and if unavoidable such payments should be supported by proper documentation
- Any payments to foreign accounts must be treated with utmost caution and appropriate verification must be obtained to ensure that InflowControl does not contribute to money laundering, tax evasion, corruption, fraud, or other illegitimate business practices

4.10 Anti-Corruption Guidance and Whistle Blowing

At InflowControl, we recognize that fostering a culture of responsible attitudes and actions requires both brave employees and skilled managers. To ensure this, all employees are encouraged to engage in an open discussion about responsible attitudes and actions in a constructive and non-bureaucratic way.

With regards to anti-corruption, it is important to note that complaints should be reported through the proper channels, such as the line manager. However, if this is inappropriate or inadequate, employees may choose to give information to QHSE or the CEO. It is then InflowControl's responsibility to ensure that the whistle blower is well taken care of internally, and that they will not be punished for their actions. On the other hand, anyone blowing the whistle without a legitimate reason, or to harm a person or the organisation, will be subject to disciplinary procedures.

For day-to-day guidance on anti-corruption, employees should seek advice from their immediate superior. You may also contact QHSE if you have any question regarding this policy or anticorruption.

4.11 Consequences of Non-Compliance

The potential consequences of non-compliance with applicable anti-corruption laws are substantial:

- Corruption distorts free competition and undermines the rule of law
- Exposed corruption results in negative publicity, which can do serious damage to a company's reputation and business relationships
- The decision by authorities to initiate investigation of a suspected anti-corruption infringement may cause serious harm to the involved party's reputation and business interests and trigger substantial costs
- Individuals involved in corrupt activities may be subject to criminal sanctions, including fines, imprisonment, and in certain jurisdictions, even corporal punishment. Often, the individuals' superior will also be subject to criminal sanctions if he/she knew or should have known that the corruptive act was conducted
- Companies have been subjected to tens of millions of USD of fines, penalties and government-ordered compliance costs because of corruption allegations
- Companies may be prohibited from doing business in certain countries or industries, with certain governments or from participating in public tenders
- Companies may be liable for damages claims by third parties disadvantaged by the corrupt activity, such as competitors who may have lost business
- Risk of criminal prosecution, dismissal, or other disciplinary action for the individual