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SOLENIS POLICY

Fraud

1.0 Policy

Solenis (or the “Company”) is committed to the highest standards of openness, integrity and accountability in all its affairs. In line with this commitment, Solenis’ Fraud policy outlines the principles for reporting, managing and preventing fraud.

Fraud can have a devastating effect because it could result in significant financial loss and other long-term business repercussions. Fraud is sometimes associated with or related to bribery, corruption or conflicts of interest – the subjects that are separately addressed in Solenis’ [Anti-corruption](#) and [Conflicts of Interest](#) policies.

Solenis upholds a zero-tolerance approach regarding fraud. The policy promotes a culture of fraud prevention, awareness and accountability, and clarifies acts that are considered to be suspicious. The policy is supported by a comprehensive framework of internal controls and procedures designed to help report and investigate when fraudulent acts are suspected.

2.0 Duty to report fraud

Fraud is any intentional deception carried out for financial or personal gain.

Anyone who has a reasonable basis for suspecting fraud, that is in any way related to Solenis’ business or operations, must report the suspected activity to the Company, pursuant to Solenis’ [Reporting](#) policy.

Fraud can occur through various means, often involving deceptive practices to gain financial or personal benefits. Fraud can be perpetrated against the Company and on behalf of the Company, by Solenis employees or by external actors or third parties.

Here are some examples of how fraud can take place:

- **Embezzlement:**
 - Misappropriating funds by diverting Company funds for personal use;
 - Falsifying financial records to cover up the embezzlement.
- **Conflict of interest schemes:**
 - Executing or facilitating related-party transactions in violation of Solenis’ [Conflicts of Interest](#) policy.

- **Billing schemes:**
 - Manipulating accounts receivables and accounts payables, creating fake invoices or manipulating legitimate ones to divert funds;
 - Colluding with vendors to submit inflated invoices.
- **Expense reimbursement fraud:**
 - Submitting false or inflated expense reports for personal gain;
 - Fabricating expenses or claiming personal expenses as business-related;
 - Violating rules and procedures related to the use of Company travel and purchase cards.
- **Payroll fraud:**
 - Creating fictitious employees and diverting the funds to the perpetrator;
 - Manipulating timesheets or altering wage rates to receive more pay than earned.
- **Corruption and bribery:**
 - Offering or accepting bribes to influence decision-makers within the Company;
 - Making improper payments to secure business contracts or favorable treatment.
- **Financial statement fraud:**
 - Manipulating financial statements to overstate revenue or understate expenses;
 - Concealing liabilities or inflating assets to present a more favorable financial picture.
- **Material statement fraud:**
 - Making false statements under the laws and regulations, including environmental, securities or tax laws;
 - Making false material representations to any third parties, including intentional misstatements in government or municipal bids.
- **False or misleading statements to customers:**
 - Supplying goods or services of insufficient quantity or quality to customers;
 - Illicit substitution of supplies with goods or services of inferior quality.
- **Inventory theft and fraud:**
 - Stealing physical inventory or diverting it for personal gain;
 - Manipulating inventory records to conceal theft or misappropriation.
- **Identity theft:**
 - Using stolen personal information to create false identities for fraudulent activities;
 - Gaining unauthorized access to Company systems or accounts.
- **Data breaches:**
 - Unauthorized access to sensitive Company data for personal gain or to sell to others;
 - Exploiting vulnerabilities in the Company's IT infrastructure to gain access to commercial or sensitive data.
- **Insider trading:**
 - Using confidential information for personal gain by trading stocks or securities;
 - Providing insider information to others for financial benefit.

- **Kickbacks and schemes with suppliers:**

- Accepting kickbacks from suppliers in exchange for awarding them contracts;
- Colluding with suppliers to manipulate procurement processes for personal gain.

3.0 Investigation and remediation

The company will identify and promptly investigate any suspected fraudulent or related dishonest activity against Solenis or other parties with whom the Company has dealings.

Investigations will follow the process outlined in Solenis' [Investigations](#) policy. Where initial investigation provides reasonable grounds for suspecting fraud, the Legal Department or the Office of Ethics and Compliance may request the departments and functions involved to take quick action to secure evidence and prevent potential further loss.

The company will take appropriate disciplinary and legal actions to include the possibility of termination of employment, restitution, and forwarding information to the appropriate authorities for prosecution.

4.0 Training and communication

Training and communication concerning this policy will be provided as necessary.

5.0 Policy application

This policy applies to any suspected or confirmed fraudulent activity or fraud-related irregularity involving not only by Solenis employees, but also by principals, owners, shareholders, vendors, outside agencies and other third parties having effect on or related to Solenis' operations.

6.0 Other relevant policies and protocols

- Global Standards of Business Conduct
- Anti-corruption policy
- Reporting policy
- Investigations policy

7.0 Owner

Solenis' General Counsel is responsible for implementation of and amendments to this policy.

8.0 Exceptions

There are no exceptions to this policy.

9.0 Scope

This Policy applies to all Solenis employees and third parties globally.