

I. Introduction

Watco Companies, L.L.C. (“Watco,” or the “Company”) is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all team members and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, the Company has adopted this Anti-Corruption, Anti-Money Laundering and Trade Control Compliance Policy (the “Policy”), which is applicable to all directors, officers, team members, agents, representatives and other associated persons of the Company (collectively “Company Personnel”).

In brief, the Company will not tolerate bribery, kickbacks, or corruption of any kind, directly or indirectly through third parties. Company Personnel are not permitted to give or offer anything of value (including gifts, meals, entertainment, travel or lodging) to anyone for the purpose of improperly obtaining or retaining a business advantage. Similarly, Company Personnel may not solicit or accept such improper payments.

Furthermore, it is the Company’s policy to comply in all respects with trade sanctions and export control laws and regulations of the United States and the jurisdictions where the Company operates. For example, the Company and Company Personnel may not transact business directly or through agents or distributors with persons in Cuba, Iran, North Korea, Syria, or the Crimea region. Additionally, there are a number of individuals elsewhere in the world listed on targeted sanctions lists with whom the Company and Company Personnel are prohibited from transacting business by applicable sanctions laws.

This Policy and the internal controls herein have been designed to prevent such violations from occurring, avoid the appearance of wrongdoing and enable the Company to respond promptly and effectively to any inquiries about its conduct. Company Personnel who violate this Policy may be subject to disciplinary action, up to and including termination. The pages that follow provide a general guide to anti-corruption compliance but do not address every potential scenario that may implicate issues bearing on compliance with this Policy. Therefore, any Company Personnel who have any questions concerning the requirements of this Policy should consult with the Chief People Officer or General Counsel, who Watco management have designated as the Company’s compliance-responsible officers.

II. Anti-Corruption

A. Company Personnel shall not be permitted to pay or receive bribes.

Company Personnel must conduct their activities in full compliance with this Policy and any applicable anti-corruption laws, including relevant aspects of the U.S. Foreign Corrupt Practices Act of 1977, as amended (“FCPA”), the UK Bribery Act, 2010, as well as any other applicable financial recordkeeping and reporting regulation and any other anti-corruption laws in effect in the jurisdictions where the Company conducts business.

Under this Policy, Company Personnel are not permitted to give or offer anything of significant value, directly or indirectly, to any Government Official¹ or any commercial party for the purpose of improperly obtaining or retaining a business advantage. Simply put, bribes, kickbacks or similar payments are never permitted, whether made to a Government Official or to customers, investors, clients or other private parties. Similarly, Company Personnel may never offer, solicit or accept such payments.

¹ The term “Government Official” includes all officers or employees of a government department, agency or instrumentality; permitting agencies; customs officials; candidates for political office; and officials of public international organizations (e.g., the Red Cross). This term also includes officers or employees of government-owned or controlled commercial enterprises such as state-owned or controlled universities, airlines, oil companies, health care facilities or other vendors. The term also includes family members and close associates of such individuals (e.g., it is not permissible to give a lavish gift to the sibling, spouse or child of a government employee if a gift to the individual would be prohibited under this Policy).

If confronted with a request or demand for an improper payment or other violation of this Policy, the request or demand must be immediately rejected and reported to the Company's compliance officer. Similarly, if any Company Personnel knows or believes that an improper payment has been or will be made, the Company Personnel must also report such payment to the compliance officer. No adverse employment action will be taken against any Company Personnel in retaliation for, honestly and in good faith, reporting a violation or suspected violation of anti-corruption laws or this Policy.

B. Gifts, Meals, Entertainment and Employment

Set forth below are various rules relating to gifts, meals, entertainment, travel, lodging and employment.

Gifts, meals, entertainment, travel and lodging should never be offered as a means of influencing another person's business decision. Each should only be offered if it is appropriate, reasonable for promotional purposes, offered or accepted in the normal course of an existing business relationship, and if the primary subject of discussion or purpose of travel is business. The appropriateness of a particular type of entertainment, travel and lodging depends upon both the reasonableness of the expense and on the type of activity involved. This is determined based on whether or not the expenditure is

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sensible and proportionate to the nature of the individual involved. The Company competes for and earns business through the quality of its personnel, products and services, not with gifts, meals or entertainment. The use of Company funds or assets for gifts, gratuities, or other favors to Government Officials or any other individual or entity (in the private or public sector) that has the power to decide or influence the Company's commercial activities is prohibited.

When possible, business entertainment payments should be made directly by the Company to the provider of the service, and should not be paid directly to a Government Official or other party as a reimbursement.

In all instances, Company Personnel must ensure that the recording of the expenditure associated with gifts, meals or entertainment clearly reflects the true purpose of the expenditure.

Please note that in addition to traditional gifts, both meals and entertainment that are provided to business relationships where Company Personnel are not in attendance, and instances where the Company pays for travel related expenses for a Government Official (see below for discussion), shall be considered gifts, and subject to the rules and requirements for gifts specified in this Policy.

Company Personnel must not accept, any gifts, gratuities or other favors from any customer, supplier or other person doing or seeking to do business with the Company, other than items of nominal value. Any gifts that are not of nominal value should be returned immediately and reported to your supervisor. If immediate return is not practical, they should be given to the Company for charitable disposition.

C. Travel and Lodging

Reasonable and bona fide travel expenditures paid on behalf of Government Officials or any other individual or entity (in the private or public sector) may be permissible in certain circumstances. Permissible payments may cover the costs of travel to visit the Company's offices and discuss the Company's qualifications for contracts, projects or services within the individual's responsibility or travel in connection with a status review. Travel and lodging expenses shall not be extravagant or lavish.

Payment of cash *per diems*, expenses unrelated to legitimate business activities, and expenses that benefit a friend or family member of a customer are prohibited.

Direct reimbursements should also be avoided. Rather, reimbursements should be made to the business entity that employs the individual recipient. For example, reimbursements for the cost of a hotel or a meal shall be made directly to the employer of the beneficiary — not the beneficiary himself or herself. Payments directly to the expense recipient (expense reimbursement, or for any other purpose) require specific written approval of the Company's compliance officer in all cases.

D. Political Contributions and Charitable Donations

Company Personnel may not make political or charitable donations, whether in their own name or in the name of the Company, to obtain or retain business or to gain an improper business advantage. Any political or charitable contributions by the Company must be permitted under the laws, permissible pursuant to the terms of this Policy, made to a *bona fide* organization, and—in the case of political contributions or charitable contributions connected to any Government Official or Government Entity²—made with the prior approval of the Company's compliance officer.

III. Sanctions

A. Overview

Economic sanctions are financial, trade, and travel-related restrictions and embargoes targeting individuals, companies, and countries. Sanctions may be imposed by governments (including the United States) or international organizations (such as the United Nations) and are generally designed to (1) penalize past conduct; or (2) compel the targeted individual, entity or country to change its current conduct. **The Company strictly prohibits violations of applicable economic sanctions and expects all Company Personnel to raise promptly any questions about the applicability of sanctions or about the screening procedures outlined in this Policy.**

B. Relevant U.S. Regulations

The Office of Foreign Assets Control ("OFAC") is an office within the U.S. Department of Treasury that has responsibility for administering, implementing, and enforcing economic sanctions. OFAC violations carry meaningful financial and possible criminal penalties. OFAC administers three types of sanctions prohibit U.S. persons from engaging in business and other activities with certain individuals, entities, and countries.

Note: The list of countries subject to country-based sanctions is dynamic and subject to change. As such, Company employees should regularly consult with Company counsel to ensure they remain up to date in this area.

² "Government Entity" means any nation or government or any province, state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange.

Note: Entities and individuals specifically targeted by OFAC's List-Based Sanctions are included on OFAC's Specially Designated Nationals and Blocked Persons List, which is available in a searchable tool online, at: <https://sanctionssearch.ofac.treas.gov/>

These and other similar programs administered by OFAC also prohibit U.S. persons from “facilitating” activities with sanctioned persons or in sanctioned geographies that would violate OFAC sanctions if conducted directly by a U.S. person. In other words, a U.S. person may not assist or support another’s transaction as a means of avoiding or seeking a way around U.S. regulations.

Examples of prohibited facilitation include:

- Approving, financing, or providing transportation or insurance for transactions involving Embargoed Countries or Blocked Persons;
- Filling orders through a third party for Embargoed Countries or Blocked Persons; and
- Referring business requests from Embargoed Countries or Blocked Persons to a third party (e.g., a colleague or a competitor in a jurisdiction outside of the United States).

C. Screening Procedures

In order to avoid violating the sanctions programs described above, Company Personnel will:

1. Not deal directly or knowingly indirectly with persons in sanctioned geographies which requires personnel to exercise diligent efforts and common sense to be alert to red flags for such activity³;
2. Before engaging with a new customer, supplier, vendor, or other trade counterparty, take reasonable steps to determine the owners of that company, and work with the Legal department to check that company and its owners against sanctions lists maintained by OFAC, and any other jurisdiction, including the EU, as outlined in the Company’s Third Party Due Diligence Procedure as described below;
3. When entering a new relationship with a distributor or re-seller, ensure that the party’s contract with the Company includes appropriate geographic restrictions and documentary protections barring re-sale of Company products in a manner that would violate sanctions;
4. Take reasonable steps, including vetting during the due diligence process, to ensure that the Company is not sourcing goods, labor, materials, or parts from sanctioned geographies; and
5. Promptly report any suspicions, red flags, or observed wrongdoing to the Company’s compliance officer or via the reporting methods discussed in Section VII, below.

To summarize, Company Personnel should not transact business related to any sanctioned geographies, or with any sanctioned persons or companies, without first discussing the proposed transaction with the Legal department. Company Personnel should be alert for and promptly elevate any questions or concerns relating to sanctioned persons or companies to the Legal department.

IV. Relationships with Third Parties

Anti-corruption laws prohibit indirect payments made through a third party, including giving anything of value to a third party while knowing that value will be given to a Government Official for an improper purpose. Sanctions regulations similarly prohibit using third parties to accomplish what the Company cannot directly — e.g., selling

³ For example, a purchaser has a billing address in the United Arab Emirates, but requests to use a delivery address in Iran; or, during a basic online search of a new distributor, Company Personnel develop a suspicion that the distributor is based in or has a meaningful presence in Cuba or another sanctioned geography.

Company products or services to a sanctioned end user via a third-party distributor. Third parties can include, but are not limited to, distributors, re-sellers, consultants, vendors, agents, or any other individual or entity working on behalf of the Company. Company Personnel should avoid situations involving third parties that might lead to a violation of this Policy.

Company Personnel who deal with third parties are responsible for taking reasonable precautions to ensure that the third parties conduct business ethically and comply with this Policy.

If Company Personnel have reason to suspect that a third party is engaging in potentially improper conduct, they shall report the case to the Company's compliance officer immediately. The Company shall conduct an investigation and stop further payments to the third party if the Company's suspicions are verified through the investigation.

Company Personnel should pay particular attention and closely monitor high-risk third parties whose engagement may involve interactions with Government Officials, including for purposes of obtaining permits, clearances, authorizations, or similar approvals or review by a governmental authority or agency.

VI. Recordkeeping and Internal Controls

All expenditures made by the Company must be accurately reflected in the Company's financial records and all payments made with Company funds, or on behalf of the Company, properly authorized. Company Personnel must follow all applicable standards, principles, laws and practices for accounting and financial reporting. Company Personnel must be timely and complete when preparing all reports and records required by management. In particular, Company Personnel should ensure that no part of any payment is to be made for any purpose other than that which is fully and accurately described in the Company's books and records. Company Personnel should use best efforts to ensure that all transactions, dispositions, and payments involving Company funds or assets are properly and accurately recorded in the Company's financial records. No undisclosed or unrecorded accounts are to be established for any purpose. False or artificial entries are not to be made in the Company's books and records for any reason. Finally, personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

The Company's compliance officer is primarily responsible for the oversight and enforcement of this Policy. The Company will conduct periodic audits of its books and records to monitor compliance with this Policy.

VII. Reporting Requirements and Whistleblower Protection

The Company takes its commitment to compliance very seriously and expects all Company Personnel to share that commitment. The Company therefore expects and requires that any Company Personnel who have knowledge of, or reason to suspect, any violation of this Policy contact the Company's compliance officer immediately. Reports may be made anonymously. If any Company Personnel fails to report known or suspected violations, then the relevant Company Personnel may be subject to disciplinary action, up to and including termination.

It is the Company's policy that, if the report of known or suspected violations is made honestly and in good faith, no adverse employment-related action will be taken against any Company Personnel in retaliation for reporting a violation or suspected violation of anti-corruption, anti-money laundering or sanctions laws or this Policy.

All questions regarding this Policy should be directed to the Company's compliance officer.

ADOPTED: November, 18, 2020