

ELEMENTIS

Elementis PLC
Anti-Corruption Policy

Revised December 2018 (v2)

**ANTI-CORRUPTION POLICY
OF
ELEMENTIS PLC**

1. Purpose of Policy

Elementis plc (collectively with all of its subsidiaries and all entities controlled by it, the “Company”) strictly prohibits engaging in or tolerating bribery or any other form of corruption. In accordance with its Code of Business Conduct and Ethics and its Anti-Facilitation of Tax Evasion policy, along with the purpose of conducting all of its operations and activities in compliance with applicable anti-corruption laws wherever it operates, the Company has developed the following anti-corruption policy.

2. Anti-Corruption Policy

The Company strictly prohibits giving or promising, directly or indirectly, anything of value, including money or any financial or other advantage, to any person for improper purposes. Thus, no person working for or on behalf of the Company, regardless of nationality, may offer, pay, give, promise, or authorize the payment of anything of value, including money or any financial or other advantage, to any person for the purpose of obtaining or retaining business, inducing that person or any other person to act, rewarding him/her for acting, or securing an advantage, improperly or otherwise.

The Company also prohibits the receipt or solicitation, directly or indirectly, of anything of value, including money or any financial or other advantage, from any person for improper purposes. Thus, no person working for or on behalf of the Company, regardless of nationality, may receive or solicit anything of value, including money or any financial or other advantage, from any person for the purpose of assisting that person in improperly obtaining or maintaining a business relationship with the Company.

3. Additional Guidance Concerning Policy

This policy applies to the Company and to all directors, officers, employees, agents, contractors, consultants, joint venture partners, and other persons acting for or on behalf of the Company.

This policy applies to dealings with government and non-government business partners or customers. In many cases, local prohibitions and requirements regarding government and other public officials will be more rigorous than those applicable to non-government business partners and customers.

This policy strictly prohibits the Company and its directors, officers, employees, and other persons acting for or on behalf of the Company from giving or offering to give money or anything of value to government officials, a political party, a party official, or a candidate for political office to secure any improper advantage, to obtain or retain business, or to improperly induce the recipient to take (or to refrain from taking) action that would bestow a commercial benefit or advantage on the Company, its affiliates or any other party. Employees who are dealing with these types of officials must be aware of any requirements and prohibitions applicable to such officials under applicable local law and/or the rules and regulations of the official’s organization.

This policy also strictly prohibits giving or offering money, gifts, or other things of value to private persons to secure any improper advantage.

Under certain circumstances, gifts and other forms of hospitality may be appropriate, as described more fully below in the policies on gifts, entertainment, and travel. Such gifts, entertainment/hospitality, and travel must comply with applicable local law and should not exceed the bounds of good taste or customary business standards in the community.

This policy prohibits conveying anything of value either directly or indirectly. Thus, the policy prohibits corruptly conveying a thing of value through agents, contractors, intermediaries, or other third parties or by donation to a charity or political party with which the recipient is connected. Benefits to family members are similarly prohibited.

This policy applies even if a person, including a government official, demands or suggests the payment. If you receive a demand or suggestion, you should immediately report it to the General Counsel, and no payment should be made.

Directors, officers and employees may not avoid liability by “turning a blind eye” when circumstances indicate a potential violation of the policy. If you have any doubts or questions as to whether conduct is permissible under this policy, or if you believe a violation of the policy has occurred, is occurring, or will occur, you should report the conduct immediately to the General Counsel.

4. Definitions

As used in this policy, the terms “improper” or “improperly” mean, in relation to any person, in breach of a reasonable expectation that that person will act in good faith or impartially or, where that person is in a position of trust, in breach of that trust. Whether or not there is a reasonable expectation that a person will act in good faith shall be determined by reference to standards applicable in the United States and the United Kingdom, not by reference to the local law or customs applicable to that person.

As used in this policy, the phrase “anything of value” is not limited to money or cash. It includes travel, meals, gifts, entertainment, golf outings, favors, services, loans and loan guarantees, investment or business opportunities, the use of property or equipment, job offers (including to a person’s relative), transportation, the payment or reimbursement of debts, and other tangible and intangible payments. Donations to charities or political parties with which the recipient is connected may also be covered.

As used in this policy, “government official” is defined broadly and includes:

- Any officer or employee of a government-owned or government-controlled company. This includes companies that operate in the commercial sector but are owned by a government or government agency;
- Any person engaged in public duty in a government agency. This includes any elected or appointed official or employee of a government, at any level including national or local government entities. This includes

members of legislative, administrative, and judicial bodies, as well as low-level employees of government agencies, such as office workers;

- Any officer or employee of a public international organization (such as the United Nations, the World Bank or the International Monetary Fund);
- Any person acting in an official capacity for a government, government agency, or state-owned enterprise (for example, someone who has been given authority by a government entity to carry out official responsibilities); and
- Any political party, official of a political party, and any candidate for political office.

5. Accounting

The Company and its personnel will maintain books and records that accurately and fairly reflect all transactions. No person working for or on behalf of the Company may make any false entry in any of the Company's books and records, nor may any such person be a party to the creation of any false or misleading document that supports the disbursement of the Company funds, and the Company shall require accounting for transactions in sufficient detail so that improper payments could not be hidden from review.

Accounting records must include all transactions carried out on the Company's behalf, including (without limitation) sales and agency commissions, charitable or political donations, sponsorship and marketing payments and expenses on gifts, entertainment and hospitality. Monetary thresholds for charitable contributions and sponsorship events should be clearly stated and (where required) disclosed within the annual report.

Each Division must maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified, procedures can be developed in order to help mitigate these risks on an ongoing basis.

6. Gifts

No person working for or on behalf of the Company, regardless of nationality, may give or receive gifts in the context of the Company's business except in accordance with this policy and other applicable guidelines in force in relation to the relevant country or business unit.

Providing or receiving gifts with the intention or appearance of improperly influencing a government official or private person, or being improperly influenced by another, in order to obtain or convey a business advantage, or for any other corrupt purpose, is strictly prohibited. It is important to recognize that even when there is no intent to convey a bribe, such intent may be inferred from the surrounding circumstances.

While it may be common practice to provide or receive gifts in certain areas on special occasions, gifts may not be given or received if they are prohibited by local law or regulations, or by internal policies or rules applicable to the intended recipient. Additionally, even when it is permissible to give or receive a gift, the gift should not be lavish, excessive, or otherwise inappropriate.

The following restrictions apply to gifts:

- A gift shall not be given or received if the intended recipient is in a position to influence a pending business or regulatory decision;
- Cash gifts, or cash equivalents such as gift cards, phone cards, meal vouchers or cards, shall not be given or received;
- No gifts in the form of stock or other similar consideration shall be given or received; and
- Gifts must not be given with such frequency that it appears that an effort is being made to avoid restrictions under local law or this policy regarding excessive, lavish, or otherwise inappropriate gifts.

A gift may be given or received without prior approval from the General Counsel only if all of the following circumstances are met:

- the gift is appropriate under legitimate and generally accepted local law and custom;
- the gift is permitted by the rules of the recipient's employer;
- the item (i) is of nominal value (examples include logo cups, hats, shirts, USB drives, calendars and notebooks which bear a company or other official logo), or (ii) is generally distributed by the giver to its customers and vendors as a token of goodwill during festivals, holidays, or other special occasions; and
- the expenses related to a gift from Company personnel must be supported by receipts, approved in accordance with Company policies, and accurately recorded on the Company's books and records (including recording in any relevant register of gifts). In the event that a cash advance is obtained to pay for a permissible gift, appropriate documentation of the expense be maintained and submitted pursuant to the Company's reimbursement procedures.

All other gifts must be approved by the General Counsel.

7. Business Entertainment and Hospitality

The Company recognizes that normal business entertainment and hospitality are accepted practices. Certain persons, in particular government officials, are subject to limitations on business entertainment and hospitality (including meals) which they may

accept or offer. All directors, officers and employees of the Company should consider, before offering or receiving any business entertainment or hospitality, whether that entertainment or hospitality violates the Company's policies. Care should be exercised to ensure that any business entertainment or hospitality cannot reasonably be construed as a bribe or improper inducement.

Business entertainment and hospitality, whether offered by Company employees or their families to third parties, or extended to Company employees or their families by third parties, is permitted, provided the entertainment, meal or transportation offered is not lavish or excessive, and does not exceed the bounds of good taste or customary business standards in the community. Where required under applicable Company policies, business entertainment and hospitality given or received must be recorded in any register maintained for that purpose.

Business entertainment and hospitality expenses involving the same recipient must not be incurred with such frequency that it appears that an effort is being made to avoid restrictions under local law or this policy regarding excessive, lavish, or otherwise inappropriate entertainment, hospitality, or travel.

Business entertainment and hospitality expenses are never permissible, regardless of the amount of the expense, if the purpose of incurring them is to improperly influence a decision:

- by a government official, including an official who is involved in regulatory inspections, reviews, or approvals involving the Company's business; and
- by a third party in relation to which the Company is involved in an active tender process in relation to a sales or other contract.

In the context of sales or demonstration of the Company's products and services to government officials (unrelated to regulatory inspections, reviews, or approvals), expenses for meals and entertainment may be incurred without prior approval by the General Counsel only if all of the following conditions are met:

- The main purpose of the meal or entertainment is discussion of specific projects or opportunities or education regarding the Company's products, and it is attended by appropriate Company representatives;
- The meal or entertainment is permitted by local law and custom, as well as the rules of the recipient's employer; and
- The cost of the meal or entertainment is less than the amount allowed by the rules of the recipient's employer.

All other meals and entertainment involving government officials must be approved by the General Counsel.

For all business entertainment and hospitality expenses:

- The reimbursement request must identify all attendees for the purpose of tracking the frequency of meals and entertainment involving specific government officials and private parties;
- All expense reimbursements must be supported by receipts; and
- In the event that a cash advance is obtained to pay for a business meal or entertainment, Company policy requires that appropriate documentation of the expense be maintained and submitted.

8. Sponsored Travel by Customers, Suppliers and Other Business Partners

In appropriate circumstances, with strict controls, the Company may pay reasonable and bona fide expenditures, such as travel and lodging expenses, incurred by or on behalf of an actual or potential business partner or customer where the expenditures are directly related to the promotion, demonstration, or explanation of the Company's products or services or the Company's execution or performance of a contract with such business partner or customer.

Payment of travel expenses for government officials is never permissible, regardless of the amount of the expense, if the purpose of incurring them is to improperly influence a decision by the government official. Additionally, travel expenses may not be paid for:

- government officials who are involved in regulatory inspections, reviews, or approvals involving the Company's business; and
- third parties in relation to which the Company is involved in an active tender process in relation to a sales or other contract.

Travel expenses associated with government officials must be approved in writing and in advance by the General Counsel. This includes travel to conferences and business meetings, lodging and any meals and entertainment associated with the travel. For sponsored travel expenses to be approved:

- The travel expenses may be incurred only if the main purpose of the trip is to attend a conference or business meeting sponsored by the Company, or to visit Company facilities for educational or promotional reasons directly related to the Company's business. Sponsoring travel of a government official when no Company employee is present for the associated business activity is not permitted;
- The duration of the sponsored travel must reasonably coincide with legitimate business events or when functions are scheduled to occur. An overstay of one extra night may be permissible if flight schedules so require. The Company will not cover expenses for a sponsored traveler to extend his/her stay for reasons unrelated to the Company's legitimate business purpose; and

- Invitations to conferences, meetings, or other permissible events that require travel of a government official should be open and transparent. Where possible, the government official's supervisor should be notified of the invitation.

The Company may pay only reasonable expenses that are actually incurred by government officials and are directly related to the business purpose of the trip. Wherever possible, expenses should be incurred and paid directly by the Company, rather than reimbursed to the government official. This includes the following types of permissible expenses:

- flight arrangements and hotel expenses that are in line with the Company's travel policy. As a guide, the level of travel benefits (such as business class airline tickets) for senior government officials should be consistent with policies for senior Company employees. First class airline tickets and lavish hotels are not appropriate under this policy;
- appropriate ground transportation;
- reasonable lodging expenses;
- meals and entertainment costs that are reasonable and in line with Company reimbursement policies; and
- incidental expenses (for example, taxis, coffee and tea) that are supported by receipts or similar documentation.

The Company will not advance, pay or reimburse the following types of expenses:

- any expenses for spouses, other family members or guests of government officials; and
- per diems or cash advances.

Where required under applicable Company policies, travel and hosting expenses given or received must be recorded in any register maintained for that purpose.

9. Use of Agents, Consultants, and Other Third Parties

The Company, and possibly Company executives and employees, may be held criminally liable for bribes paid by an agent, sales representative, distributor, consultant, joint venture partner, business partner or other third party who can act on behalf of the Company (referred to here collectively as "Agents"). Actual knowledge of the bribery is not required to incur liability. In light of this fact, thorough due diligence must be conducted before entering into agreements with Agents, all agreements with Agents must contain strong provisions designed to ensure that the Agents do not violate this policy or applicable anti-corruption laws, and all Company personnel must be aware of "red flags" or warning signs that could indicate a problem with an Agent.

a. Due Diligence

When a director, officer or employee of the Company initiates any business relationship with an Agent, it is important to make a full risk assessment. It is the responsibility of the appropriate designated senior person to ensure that this is done and to ensure that the results of the assessment are appropriately recorded. This must include a background check, tailored to the level of risk identified and the significance of the proposed relationship. This will ensure that the Agent possesses both the requisite qualifications and a solid reputation for business integrity. The risk level and significance associated with the Agent should be assessed based on factors such as the nature of the relationship, the size of the contract, the location where the services will be performed, and whether the services will involve interaction with government employees. At a minimum, the due diligence process should include: gathering information from available sources concerning the ownership, management, capabilities and reputation of the Agent; reviewing the proposed structure and terms of the proposed relationship, including compensation provisions; and requiring and checking multiple references. Some important sources of information which should be checked include the UK and US Embassy or Consulate, local bankers, clients and other business associates. A record of the diligence performed and findings should be prepared and sent to the General Counsel. Such reports, along with the underlying documentation, must be retained for eight (8) years. Please consult the General Counsel for those proposed relationships which are considered to present a higher level of risk.

b. Agreements

Every agreement with an Agent must be in writing and describe the services to be performed, the fee basis, the amounts to be paid, and other material terms and conditions of the representation. The agreement also should contain written provisions (i) requiring that the Agents comply fully with this Anti-Corruption Policy and all applicable laws, rules and regulations, including anti-corruption laws, (ii) affording the Company appropriate monitoring and audit rights, including rights to access books and records of the Agent, and (iii) allowing the Company to terminate the relationship in the event of non-compliance with any anti-corruption related undertaking. Finally, the Agreement should require that, at the time it is executed, and whenever otherwise requested by the Company, the Agent will sign a certification in the form attached hereto as Appendix I.

Payments to Agents should never be made in cash, and should be made to the Agent's bank account in the country where the services are performed or where the Agent's offices are located.

c. "Red Flags" or Other Warning Signs

If, for any reason, Company employees have reason to suspect that an Agent is engaging in potentially improper conduct, no further payments should be made until an investigation can be conducted. While not exclusive, the following warnings or "red flags," which may be present before entering into or during the term of an Agreement, are signs that an Agent might be engaged in inappropriate or illegal activity:

- The Agent has a history or reputation for bribes or other unlawful conduct;
- The Agent has family or other “special” relationships that could influence the buying decision;
- There is a history or reputation of corruption in the country where the Agent is being hired;
- The Agent has little experience in the industry;
- Unusual or excessive payment requests, such as requests for over-invoicing, up-front payments, ill-defined or last-minute payments, success fees, unusual commissions, or mid-stream compensation payments;
- Requests for payments to an account in a country other than where the Agent is located or is working on behalf of the Company;
- Requests for payment to a third party, to a numbered account, or in cash or other untraceable funds;
- Use of holding companies or other methods or parties to obscure ownership or participation of the Agent, without adequate business justification;
- Any refusal or hesitancy by the Agent to disclose its owners, partners or principles, or to promise in writing to abide by the Company’s Policy and relevant laws; and
- Any refusal by the Agent to provide records and documents.

d. Exceptions to this Policy

Any exception to this policy, including with respect to payments arrangements, must be approved in advance by the General Counsel.

10. Facilitating, “Speed” or “Grease” Payments

Although some anti-bribery laws permit payments to government officials in limited circumstances for the purpose of facilitating or expediting the administrative performance of routine governmental actions, it is the Company’s policy that no such payments may be made.

However, in the event that a facilitation payment is being extorted, or if you are forced to pay under conditions of duress or faced with potential issues of safety or harm, such a payment may be made, provided that certain steps are followed. If you are ever placed in such a situation, you must contact the General Counsel as soon as possible and you must record the payment appropriately within the accounting books and records. If you are unsure whether certain payments which resemble the definition of facilitation payments are permissible, please contact the Legal Department.

11. Training

All Company directors, officers and employees, as well as certain agents, consultants and other business partners, are required to undertake appropriate training on this policy and the related legal issues on a biennial basis.

12. Periodic Risk Assessment and Policy Review

Management will undertake risk assessments in relation to each business area and country of the Company's operations on a regular basis. Additionally, the efficacy of this policy will be evaluated, and the policy itself will be reviewed periodically to ensure that it is aligned with and addresses risks the Company faces.

13. Reporting Potential Violations

Potential violations of this policy may be reported in the manner set out in the Company's Code of Business Conduct and Ethics and will be investigated by the General Counsel, the Company's internal audit function or outside advisers as appropriate.

14. Questions

Any questions concerning this policy or its application to any particular set of facts should be referred to the Company's General Counsel.

Anti-Corruption Policy Certification

I acknowledge that I have reviewed the Anti-Corruption Policy of Elementis plc (the "Company") and understand that, as an [agent, consultant, joint venture partner] to the Company, I have an obligation to fully adhere to these policies and principles. In particular, I acknowledge and affirm that:

In carrying out my responsibilities as [an agent for][a consultant to] the Company, I agree that I have not, and will not, and will ensure that no person acting on my behalf or at my direction will, offer, promise, pay, or give, or authorize the offer, promise, payment, or giving of, any financial or other advantage, including money or anything of value, whether by direct or indirect means, to any person for the purpose of obtaining or retaining business, inducing that person or any other person to act, rewarding him/her for acting, or securing an improper advantage, improperly or otherwise.

I also certify that I have no knowledge that I or anyone acting on my behalf or at my direction has engaged or is engaging in such activities.

Penalties and Compliance Under this Anti-Corruption Certification

I understand that I will be subject to sanctions, including potential termination of [the Agency/Consultancy Agreement][my employment with the Company] related to this Anti-Corruption Certification, if I fail to follow the requirements listed in this Anti-Corruption Certification [or in the Agency/Consultancy Agreement][or in my employment agreement]. Examples of actions or omissions that will subject me to discipline on this basis include, but are not limited to, the following:

1. a breach of the requirements contained in the Company's Anti-Corruption Policy and this Anti-Corruption Certification;
2. failure to report a suspected or actual violation of the requirements contained in the Company's Anti-Corruption Policy or this Anti-Corruption Certification;
3. failure to make, or falsification of, this or any future Anti-Corruption Certification; and
4. lack of attention or diligence concerning any employees or sub-agents for whom I am responsible that directly or indirectly leads to a violation of the requirements contained in the Company's Anti-Corruption Policy or this Anti-Corruption Certification [or the Agency/Consultancy Agreement] [or in my employment agreement].