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1. Introduction

The mission of C40 Cities Climate Leadership Group, Inc. (“C40 Inc.”) and its subsidiaries (collectively, the “C40 Cities”) is to combat climate change by working with megacities around the world to develop and implement solutions to reduce greenhouse gases. To do this effectively, C40 works with many different types of organizations in locations around the world and requires that these partners adhere to the same standards of integrity by which C40 conducts its activities.

One of these standards is that bribery in any form is unacceptable. It is unethical and distorts market forces, and is also illegal in the UK, the United States (“U.S.”) and many other countries. As such, it is C40 Cities’ policy to strictly comply with the requirements and restrictions of the U.S. Foreign Corrupt Practices Act (the “FCPA”), the United Kingdom (“U.K.”) Bribery Act, and all other applicable anticorruption laws.

2. What Is the Scope of This Policy ?

This Policy applies to the employees, directors, officers, non-payroll staff, secondees, agents, partners, and other Third Party Representatives (collectively, “Organization Parties”) of C40 Cities throughout the world. In the event that the law or approach to compliance in the Territory of a subsidiary conflicts with this Policy, the requirements of the country that necessitate stricter or additional requirements shall be applied by that subsidiary.

In the context of this Policy, Third Party Representative means any individual or organization that C40 meets and works with. This includes agents, consultants, joint venture partners, or other individuals or entities that interact with third parties on behalf of C40 Cities.

3. What Does the Prohibition Against Bribery Cover?

Organization Parties must never engage in bribery. Bribery occurs when you ask for, receive, authorize, offer, promise, or give a payment, gift, favor, service, entertainment, or other item of value or other advantage to induce a third party to carry out an improper act or to improperly influence them in the performance of their duties. This prohibition on bribery covers C40 Cities’ interactions with all persons, including Government Officials, Third Party Representatives, and any other individual or entity that any Organization Party interacts with.

Bribery includes small payments of cash or any other item of value made to an individual to expedite or secure the performance of a routine, non-discretionary administrative action. Such payments—which are often called Facilitating Payments—are illegal in many countries and are strictly prohibited by C40 Cities.

C40 Cities recognizes that demands for Facilitating Payments may present challenges for Organization Parties in some of the countries that Organization Parties visit on C40 Cities business. C40 Cities does not expect Organization Parties to put themselves at risk when faced with a demand for a Facilitating Payment. Organization Parties may, therefore, be permitted to make Facilitating Payments in exceptional circumstances, where they have genuine concerns about the health, safety, liberty, or well-being of an Organization Party or other individual and there is no reasonable alternative but to make such a payment. Organization

Parties must notify the Director of Corporate Services wherever practicable and as soon as possible after the payment has been made.

4. Who is a Government Official?

In the context of this Policy, a Government Official is an official, employee, director, officer, agent, representative, or other person acting in an official capacity on behalf of a government, or any department or other subdivision thereof. This term also includes: (i) any legislative, administrative, or judicial body; (ii) any public international organization (e.g., the United Nations, the World Bank, the European Union, the World Trade Organization, the North Atlantic Treaty Organization); (iii) any government-owned or government-controlled commercial enterprise; and/or (iv) any political party or official thereof or any candidate for political office. A Government Official also includes any immediate relative of the foregoing, such as a spouse, parent, child, sibling, grandparent, or grandchild.

5. How Do I Avoid Passive Bribery (Conflicts of Interest)?

Organization Parties must never ask for or solicit a bribe, and must always be alert for any situations in which they are offered any kickback or other item of value that could be construed as seeking favoritism or as a bribe. Similarly, Organization Parties must avoid conflicts of interest, i.e., situations where personal interests unduly influence a person's business judgments, decisions, or actions. These situations make it difficult to perform work for C40 Cities objectively and effectively and may create corruption risks. As examples, the following situations raise corruption risks and must be avoided.

- Directly or indirectly soliciting, or receiving, from any C40 Cities partner, Third Party Representative, or other third party, any fee, kickback, commission, service, favor, or other thing of value, except for a gift, hospitality, or entertainment that is otherwise acceptable under this Policy.
- Entering into any paid or unpaid engagement with a C40 Cities partner, Third Party Representative, or other third party, unless such engagement was not motivated by any improper purpose, is fully disclosed and transparent, and does not influence, and will not be perceived as influencing, the judgment of the Organization Party.

6. What Type of Hospitality, Travel or Entertainment May I Provide or Receive?

Hospitality (meals and accommodations), travel (flights and taxis), and entertainment must be reasonable in value, appropriate under the circumstances, and must not be lavish. Hospitality, travel, and entertainment must never compromise, or give the appearance of compromising, the ability of the recipient to make objective and fair decisions or to properly perform their function or role; in those circumstances, the hospitality, travel, or entertainment could constitute a bribe.

It is C40 Cities' policy to provide for reasonable meals and accommodations for certain individuals, including Government Officials, in connection with C40 Cities' business activities. Such meals and accommodations, and any related incidental travel or entertainment, must only be provided in compliance with the following requirements:

- The expense must be reasonable, appropriate, consistent with customary business practice, and not lavish. Hospitality, travel, and entertainment must not be provided or received in exchange for improperly influencing any business decision, approval requirement, or other discretionary decision involving the recipient.
- The expense must be openly incurred; that is, there must be no effort made to conceal the facts by either the donor or the recipient.
- When providing hospitality, travel, or entertainment the expense should be paid directly to the applicable vendor (i.e., the restaurant or other venue) and not to a Third Party Representative or to the person receiving the hospitality, travel, or entertainment.
- When providing hospitality, travel, or entertainment, the expense must be completely and accurately documented with appropriate receipts, including documenting the name and title of each recipient and the entity with which he or she is affiliated.
- The expense must not be in violation of any applicable law or ethical standard.
- Hospitality, travel, and entertainment expenses must never be provided for guests of C40 Cities invitees, including spouses or children.
- Hospitality, travel, or entertainment expenses provided to a participant in a C40 Cities business meeting, conference, or comparable event must only be provided if such expenses are incidental to such events. Side trips, or trip extensions, must never be paid for.
- *Per diems* must never be provided for any reason.

7. What Gifts May I Provide or Receive?

Gifts must never compromise, or give the appearance of compromising, the ability of the recipient to make objective and fair decisions and to properly perform the functions of their role; in those circumstances, the gift could constitute a bribe. With this in mind, Organization Parties may not receive, or provide in connection with any person annually, more than \$100 in gifts, without pre-approval by the Director of Corporate Services. In addition, gifts may only be offered or accepted when the following requirements are met:

- When providing gifts, the expense must be completely and accurately documented with appropriate receipts, including documenting the name and title of each recipient, and the entity with which he or she is affiliated.
- When receiving gifts, the receipt of the gift must be completely and accurately documented, including documenting the estimated fair market value of the gift, the name and title of each provider, and the entity with which he or she is affiliated.
- A gift must not be provided or received in violation of any applicable law or ethical standard.
- Gifts should be provided only on holidays or other special occasions, and should never consist of cash or cash equivalents.

8. Does C40 Make Political or Charitable Contributions?

No C40 Cities money or resources can be used to make political contributions.

Charitable contributions could violate the FCPA or other anticorruption laws if the charitable contribution is intended to induce the recipient or another third party to perform an improper act or to improperly influence the recipient in the performance of their duties. This is a particular risk where the donation is made at the behest of a Government Official or if a Government Official were to have any connection to a charitable organization. Before any charitable contribution is made from C40 Cities or in connection with C40 Cities business, *prior approval* must also be obtained from the Director of Corporate Services.

9. What Do I Need to Consider When Engaging Third Party Representatives?

When C40 Cities engages any Third Party Representative outside the United States or that may be involved in business outside the United States: (i) appropriate anticorruption due diligence, as specified in **Appendix A**, must be conducted on the Third Party Representative; (ii) the Third Party Representative must be engaged pursuant to a written contract with appropriate anticorruption representations and warranties, and (iii) the Third Party Representative must, at least once every two years, sign the Anticorruption Certification provided in **Appendix B**.

10. What If I Have Additional Questions Regarding C40 Cities' Policy?

Any questions regarding this Policy and/or the application of the FCPA, the U.K. Bribery Act, or other applicable anticorruption laws to the particular facts and circumstances of a specific transaction may also be directed to the Director of Corporate Services.

11. How Do I Report Potential Violations?

If any Organization Party has reason to believe that any violation of the FCPA, the U.K. Bribery Act, other applicable anticorruption laws, this Policy, or any other procedure distributed by the C40 Cities in connection with this Policy, is occurring or is likely to occur in connection with the C40 Cities' business, then that Organization Party must report the suspected violation immediately to the Director of Corporate Services. The Organization Party may also choose to make any such report anonymously, and in accordance with C40 Cities' Whistleblowing Policy.

If a violation is reported in relation to C40 Cities Climate Leadership UK ("C40 UK"), the trustees of C40 UK will submit a serious incident report to the Charity Commission if necessary in accordance with the Charity Commission guidance. Likewise, if a violation is reported in relation to other subsidiaries, a local subsidiary may need to submit a serious incident report to local regulators as required by local regulations.

12. Will This Policy Be Provided To Me And Will I Be Trained?

C40 Cities will ensure that all Organization Parties are informed of this Policy and are provided access to it.

C40 Cities will periodically conduct training on this Policy for all Organization Parties. In addition, compliance with this Policy will be monitored regularly, including, where appropriate, through compliance audits and certifications.

13. Appendices

- Appendix A - Due Diligence Best Practices: Items to Verify/Confirm Prior To The Engagement of Any Third Party Representative
- Appendix B - Anticorruption Certification

APPENDIX A

DUE DILIGENCE BEST PRACTICES: ITEMS TO VERIFY/CONFIRM PRIOR TO THE ENGAGEMENT OF ANY THIRD PARTY REPRESENTATIVE

Below is a non-exhaustive list of items that you can use to evaluate a prospective Third Party Representative prior to its engagement:

1. **Confirm The Identity Of The Proposed Third Party Representative:** Obtain sufficient documentation evidencing the identity of the third party and the nature of its business. The level of documentation required will vary depending on the status of the third party. For example, less documentation would be required for an NYSE listed company compared to a privately held company or individual.
2. **Confirm The Third Party Representative Is Qualified:** Confirm that the third party has the necessary expertise and experience to undertake the proposed role. This may include requesting information regarding similar goods or services that the third party has provided for other companies. Less documentation would be required for a company with an established brand name and solid business reputation.
3. **Review Publicly Available Information:** Undertake basic searches to consider what information is available in the public domain relating to the proposed Third Party Representative. As part of the search of publicly available information, confirm whether there is information regarding any prior history of misconduct by the proposed Third Party Representative.
4. **Confirm That The Proposed Compensation Is Reasonable:** Carefully evaluate the terms and amount of any compensation to be paid to the Third Party Representative, the basis for that compensation, and the reasonableness of the compensation. In doing so, consider the following factors:
 - accepted practice in the third party's country and in the industry;
 - anticipated duration of services and efforts expended;
 - expected intervals between sales;
 - specific services requested of the third party; and
 - anticipated market value of the third party's contribution.
5. **Confirm That Payment Methods Are Appropriate And The Amount Of The Payment Is In Line With The Agreed Compensation:** Payments to any Third Party Representative should be made by wire transfer to a bank account in the name of the Third Party Representative or by check, and should be fully in accordance with the terms of the written agreement. Any irregular requests relating to, in particular, the method of payment (*e.g.*, payment in cash), the payee, or the location of the bank account (*e.g.*, off-shore for an otherwise domestic transaction) should be brought to the attention of the Director of Corporate Services.
6. **Confirm That There Are No "Warning Signs":** If a warning sign applies to a Third Party Representative, you must consult with the Director of Corporate Services, and additional due

diligence may be required. “Warning Signs” include:

- **Financial Irregularities:**

- The third party requests remuneration that is excessive in light of the services provided.
- The third party requests unusual payment terms, such as payment in cash, payment up front, or payment to a bank account not in the name or country of the third party.
- The third party makes statements that give rise to suspicion, such as that the remuneration levels or payment arrangements are necessary to “get the business” or “make the necessary arrangements.”

- **Legal/Structural Concerns:**

- The third party acts through a complex corporate structure that may be used to hide its identity, such as an offshore organization, without any other apparent justification.
- The third party requests that C40 Cities prepare false invoices or otherwise falsify documentation.
- The third party refuses to provide information requested for due diligence without a good-faith justification.
- The third party refuses to sign contractual safeguards, representations, or warranties requested for due diligence.

- **Third Party Relationships:**

- The third party provides no obvious legitimate service.
- The reasons for the engagement of the third party are vague.
- The third party lacks the necessary skills or experience.
- The third party insists on not disclosing its relationship with an organization without a good-faith justification.

- **Government-Related Issues:**

- A Government Official has a direct, indirect, or beneficial ownership interest in the engagement (excluding ownership in publicly traded shares purchased in the ordinary course of business) or may otherwise be involved commercially in the engagement.
- A Government Official or government instrumentality involved in the relationship has a reputation for corruption.
- The third party is related to, or recommended by, a Government Official in the country where the services are to be provided.
- The third party places a heavy reliance on contacts with Government Officials, as opposed to knowledgeable staff and investment of time.

- **Past Conduct:**

- The third party has previously been investigated for or convicted of corrupt practices.
- The third party is unable to provide an adequate explanation for the termination of past relationships with one or more prior business partners.

The presence of warnings signs in a transaction such as the ones listed above suggests a need for greater scrutiny and the implementation of safeguards against a potential violation. Contact the Director of Corporate Services if you have any questions about these or any other warning signs.

7. **Enter Into A Written Agreement Or Purchase Order:** All Third Party Representatives (regardless of whether they interact with Government Officials) should be engaged pursuant to either (1) a written contract or other set of terms and conditions either reviewed by or provided by legal counsel, or (2) an executed C40 Cities' purchase approval form together with its terms and conditions. However, all Third Party Representatives (regardless of whether they act inside or outside the U.S.) may only be engaged pursuant to a written contract with appropriate anticorruption representations and warranties, and in such instances a C40 Cities purchase approval form order by itself is insufficient.

APPENDIX B**ANTICORRUPTION CERTIFICATION**

In performing services with or for C40 Cities Climate Leadership Group, Inc. (the “C40 Inc.”) hereunder, _____ and its owners, employees, directors, officers, partners, associates, representatives, agents, subcontractors, and any related parties (collectively “Third Party Representative”) hereby certify that:

1. Third Party Representative will comply strictly with all laws, regulations, rules, decrees and governmental orders of _____ and the United States.
2. Without limiting the generality of Paragraph No. 1 of this certification, Third Party Representative acknowledges that it may be subject to the requirements and restrictions of the United States Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1 *et seq.* (the “FCPA”), the United Kingdom Bribery Act 2010 (the “UK Bribery Act”), the O.E.C.D. Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the U.N. Convention against Corruption, and other local antibribery laws. Third Party Representative is familiar with the FCPA, the U.K. Bribery Act, and any other relevant anticorruption laws (the FCPA, the UK Bribery Act and any other relevant anticorruption laws are collectively referred to as the “Applicable Anticorruption Laws”), understands their provisions, and agrees to act in compliance with same and with any similar laws of _____.
3. Third Party Representative will comply with C40 Cities’ Anticorruption Policy (“Organization Policy”).
4. In accordance with the Applicable Anticorruption Laws and Organization Policy, Third Party Representative has not, and will not, directly or indirectly, offer, pay, promise to pay, or authorize the giving of any monies or financial or other advantage or any other thing of value to any person: (a) for the purpose of inducing or rewarding that person or any other person to perform their role or function improperly; (b) for the purpose of influencing a Government Official (defined herein as specified in Organization Policy) in relation to any decision, act or other performance of their official role or function, including a decision to fail to perform that role or function, so as to obtain or retain business or a business advantage of any kind; or (c) that is otherwise in breach of the Applicable Anticorruption Laws.
5. In accordance with the Applicable Anticorruption Laws, and except as disclosed and authorized in advance in writing by C40 Cities, Third Party Representative has not, and will not, retain any Government Official, as an employee, agent, consultant, or otherwise, to assist Third Party Representative in the performance of any undertaking hereunder, and no Government Official is an officer, director, shareholder, or equity owner of Third Party Representative.
6. In accordance with the Applicable Anticorruption Laws, Third Party Representative has not, and will not, directly or indirectly, in connection with this Agreement and the business resulting therefrom, request, accept, agree to receive, or authorize the acceptance of any

monies or financial or other advantage from any person: (a) as an inducement or reward for the improper performance of any role or function; or (b) that is otherwise in breach of the Applicable Anticorruption Laws.

7. The compensation arrangements specified in the agreement between C40 Cities and Third Party Representative are in full conformance with all applicable laws, regulations and rules of professional responsibility, including, but not limited to the Applicable Anticorruption Laws.
8. Third Party Representative has not and will not utilize or employ any third party, individual, or entity in connection with Third Party Representative's performance of any undertaking without the express prior written approval of C40 Cities.
9. Third Party Representative represents and certifies that, to the extent any knowledge or suspicion of any improper payment or offer of, or agreement to, the same in connection with C40 Cities business arises, it shall be immediately reported to C40 Cities in writing.

[Third Party Representative]

Name: _____

Title: _____

Date: _____

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