

EMCOR GROUP, INC.

# Global Anti-Corruption Compliance Policy

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## 1. Introduction

EMCOR Group, Inc. and each of its divisions and subsidiaries (collectively referred to as “EMCOR”) are committed to conducting all aspects of its business in keeping with the highest legal and ethical standards. EMCOR expects all persons acting on its behalf to uphold this commitment. To assist EMCOR in upholding this commitment in the context of bribery-related issues, EMCOR has designed and implemented the following Global Anti-Corruption Policy (this “Policy”). This Policy is designed specifically to help all persons acting on behalf of EMCOR to understand the legal and ethical issues regarding bribery that can arise while conducting business.

Please note that this Policy is applicable to directors, officers, employees, agents, subcontractors, representatives and other associated persons<sup>1</sup> of EMCOR (collectively “EMCOR Personnel”). This Policy applies solely to interactions or transactions that (1) involve foreign officials (as defined below), or (2) have a connection to the United Kingdom, including its Overseas Territories, such as the British Virgin Islands (the “U.K.”). For all other interactions and transactions, please refer to EMCOR’s Code of Business Conduct and Ethics for applicable rules.

It is EMCOR’s policy that all EMCOR Personnel must conduct their activities in full compliance with all applicable anti-corruption laws, including without limitation, the U.S. Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act, and any other anti-corruption laws that are in effect in the countries in which EMCOR Personnel operate. A failure to do so will place both EMCOR’s business reputation and business success in serious jeopardy and may subject both EMCOR and the individuals involved to civil and/or criminal liability, including possible extradition and imprisonment. Avoiding compliance breakdowns requires maintaining consistent ethical behavior. **In other words, you must avoid behavior that amounts to requesting, accepting, giving or offering anything of value to or from anyone to reward improper performance or obtain an unfair business advantage.**

The pages that follow provide a general guide to the requirements of the FCPA and the UK Bribery Act, and set forth EMCOR’s own requirements for conducting business in a manner that is compliant with applicable anti-corruption laws. Any EMCOR Personnel who have any questions whatsoever concerning the requirements of the FCPA, the UK Bribery Act, local anti-corruption laws, or this Policy should consult with the Office of the General Counsel by: (1) calling 203-849-7800; (2) writing to the attention of the General Counsel, EMCOR Group, Inc., 301 Merritt Seven, 6th Floor, Norwalk, CT 06851; or (3) sending an email to mmauricio@emcor.net.

## 2. Basic Requirements of the FCPA

### 2.1. Provisions

The FCPA is divided into two main sections—the Anti-Bribery Provisions and the Record Keeping Provisions.

#### 2.1.1. Anti-Bribery Provisions

The Anti-Bribery Provisions of the FCPA make it illegal to give, offer or promise to give anything of value to any foreign official<sup>2</sup> for the purpose of obtaining or retaining business or securing an improper advantage. Both

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<sup>1</sup> The term “associated person” is a term of art used in the UK’s Bribery Act that applies to employees, agents and subsidiaries acting on behalf of EMCOR.

<sup>2</sup> For purposes of this Policy, the term “foreign official” includes but is not limited to any employee, agent or instrumentality of any foreign government, including departments or agencies of a foreign government, foreign political parties, candidates for office in a foreign country, businesses that are wholly or partially state-owned and any employees of such businesses.

the FCPA and this Policy require that these terms be interpreted broadly. Although there are any number of scenarios that could present the risk of improper activity, typical examples include scenarios such as negotiating a potential contract with, or investment by, a foreign government or governmental entity, or seeking permission from government officials to conduct business activities in a foreign country, including the purchase or disposition of an ownership interest in a foreign company.

In addition to prohibiting improper direct payments to foreign officials, both the FCPA and this Policy prohibit payments made to third parties with the knowledge that the money or products will be passed on to foreign officials for improper purposes. For purposes of this Policy, the term “payment” includes any gift, offer or promise to give anything of value to any foreign official for the purpose of obtaining or retaining business or securing an improper advantage.

The limited circumstances in which payments may be made to foreign officials are set forth below. Because of the strict limitations on payments to foreign officials imposed by the FCPA, it is EMCOR’s strict policy that no EMCOR Personnel may provide, offer or promise to provide anything of value to any foreign official except as set forth in this Policy.

#### 2.1.2. Record Keeping Provisions

The Record Keeping Provisions of the FCPA require that EMCOR maintain accurate financial records that reflect in reasonable detail all transactions and dispositions of assets. The Record Keeping Provisions of the FCPA are designed to ensure that all payments made by EMCOR are accurately reflected in its financial records and that all payments made with EMCOR’s funds, or on behalf of EMCOR, have been properly authorized. Thus, the FCPA prohibits the mischaracterization or omission of any transaction on EMCOR’s books, as well as the failure to maintain control over EMCOR’s financial records such that a mischaracterization or omission may result. Keeping detailed, accurate descriptions of all payments and expenses is crucial for this component of the FCPA.

Accordingly, EMCOR employees must follow applicable standards, principles, laws and practices for accounting and financial reporting. In particular, employees must be timely and complete when preparing all reports and records required by management. In connection with dealings with public officials and with other international transactions, EMCOR Personnel must obtain all required approvals from the Office of the General Counsel and, when appropriate, from foreign governmental entities, prior to paying or authorizing a payment to a foreign official.

EMCOR employees and agents should be sure that no part of any such payment is to be made for any purpose other than that which is fully and accurately described in EMCOR’s books and records. No undisclosed or unrecorded accounts are to be established for any purpose. False or artificial entries are not to be made in EMCOR’s books and records for any reason. Finally, personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

### 3. Basic Requirements of the UK Bribery Act

#### 3.1. Provisions

The UK Bribery Act criminalizes four separate offenses:

- offering, promising, or giving “a financial or other advantage” to *any* other person with the intention to induce or reward improper performance of a relevant function or activity;

- requesting, agreeing to receive, or accepting “a financial or other advantage” intending that a relevant function or activity be performed improperly;
- offering, promising, or giving a “financial or other advantage”, directly or indirectly, to a “foreign public official” with the intention to obtain business or an advantage in the conduct of business; and
- failing to prevent an “associated person” from bribing with the intention to obtain business or a business advantage for the commercial organization.

As previously noted, the conduct prohibited under the UK Bribery Act is similar to that prohibited under the FCPA, but is more expansive than the FCPA in three respects. First, and most significantly, the UK Bribery Act imposes a new strict liability criminal offense that applies to any company with ties to the UK that fails to prevent an “associated person” (anyone performing services on the company’s behalf, as discussed below) from paying a bribe. The only defense to liability is if the company can prove that it had “adequate procedures” in place to prevent the bribery from occurring. Second, the UK Bribery Act does not contain any exceptions for “facilitation payments,” those relatively insubstantial payments made to facilitate or expedite routine governmental action. Third, the UK Bribery Act criminalizes “purely commercial” bribery that is unconnected to any public or governmental official, unlike the FCPA, meaning that bribery of *all* persons is prohibited.

#### **4. Our Policy**

No EMCOR Personnel shall request, accept, make, offer to make, or promise to make payments, or give anything of value, directly or indirectly, to or from any third party, including without limitation any government official<sup>3</sup>, to assist EMCOR in obtaining or retaining an improper business advantage.

While this Policy prohibits attempts to influence the actions of both foreign officials and private parties in a purely commercial context, please note that the U.S. Government and the UK Government’s Serious Fraud Office continue to closely scrutinize interactions with foreign government officials.

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 Office of the General Counsel. Alternatively, employees may report violations or suspected violations anonymously by telephoning (toll free) 1-888-711-3648. EMCOR’s strict policy is that no adverse employment action will be taken against any personnel in retaliation for reporting a violation or suspected violation of anti-corruption laws or this Policy.

#### **5. Gifts, Hospitality, Entertainment and other Items of Value**

Rules applicable to the acceptance and receipt of gifts, hospitality, entertainment, and other items of value are set forth in the “Code of Business Conduct and Ethics. However, please note that it is generally EMCOR’s policy that no gift, hospitality, entertainment, or other items of value, which can include jobs and internships, should be provided to or accepted from any Government Official, any friends or relatives of government officials, or any subcontractor on a government contract, including, without limitation, contracts with a company controlled by a foreign government.

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<sup>3</sup>“Government Official” shall be defined as the same positions listed as examples for “foreign official,” but includes officials of both foreign and domestic governments.

## 6. Charitable Contributions

Regulatory authorities have taken the position that making a donation to a charity can in certain circumstances confer a benefit on that person for purposes of anti-corruption laws. The involvement of such person does not necessarily mean that a donation should not be made, but the appropriate compliance review and approval must be obtained. Donations made to organizations in which a foreign official or any individual or entity that has the power to decide or influence a company's commercial activities has a key role (for example, as a board member or trustee), or made at the behest of such an individual, can raise issues under anti-corruption laws and this Policy.

Charitable contributions made by EMCOR or its employees to charitable organizations that have significant or well-known sponsorship by a foreign official or any individual or entity that has the power to decide or influence EMCOR's commercial activities must be approved in advance by EMCOR's Legal Department.

Charitable donations will be approved only for legitimate philanthropic reasons such as to serve humanitarian interests and to support cultural or educational institutions. It may be appropriate to make a donation with the hope of generating generalized goodwill toward the company in the community. However, charitable donations are never permissible, regardless of the amount of the donation, if the purpose of the donation is to improperly influence a decision.

## 7. Due Diligence and Continuous Monitoring for Third Parties

EMCOR's commitment to compliance with anti-corruption laws extends to the activities of EMCOR's agents, consultants, representatives and other associated persons or entities (collectively, "third parties"). EMCOR Personnel should be careful to avoid any situations involving third parties that might lead to a violation of this Policy or any applicable anti-corruption laws. Since the illegal or improper actions of third parties can have serious and detrimental consequences for EMCOR and EMCOR Personnel, we require that our third parties comply with the principles in this Policy and all applicable laws.

Prior to entering into an agreement with certain third parties (see below), EMCOR shall perform appropriate, risk-based anti-corruption-related due diligence<sup>4</sup>. Due diligence helps us understand who we are doing business with, including the third party's reputation and potentially hidden beneficial owners; the level of risk associated with the third party and the transaction; and any risk-mitigating measures that the third party has implemented to manage bribery and corruption risk. Due diligence, therefore, helps EMCOR Personnel make more informed and risk-based decisions about whether to proceed with a particular third-party relationship and how best to manage the risk associated with the relationship and/or transaction.

Anti-corruption-related due diligence on a third party is required when there are indicators of heightened corruption risk, including:

- potential that the third party will interact with government officials or entities on EMCOR's behalf;
- the third party itself is partially owned or controlled by a government official or foreign government; or
- the third party will be acting on behalf EMCOR in a country or jurisdiction with a reputation for increased bribery or corruption risk.

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<sup>4</sup>Unless warranted by the circumstances, it is generally not necessary for EMCOR to perform anti-corruption-related due diligence prior to executing an agreement with an internationally recognized commercial bank, investment bank, consulting firm, accounting firm or law firm (or other firm previously approved by the Office of the General Counsel).

EMCOR Personnel also have an ongoing obligation—beginning with negotiations and diligence and continuing throughout the lifecycle of a third-party relationship—to be on the look out for potential compliance “red flags,” which are discussed more fully below. Identifying and responding to red flags is important because under the FCPA and the U.K. Bribery Act, a company can be held responsible if it consciously disregards or ignores evidence of an improper benefit to another person. If we know or have reason to believe a third party is making improper payments on EMCOR’s behalf or has a history of corruption, EMCOR may be held responsible for the third party’s actions. Therefore, it is important for each of us to be alert for signs that are often associated with bribery and corruption. Acting with willful blindness by “looking the other way” or “burying your head in the sand” and ignoring red flags may be sufficient to establish knowledge.

Red flags are certain actions or facts which should alert a company that there is a high possibility of improper conduct by a third party. A red flag does not mean that something illegal has happened, but rather that further investigation is necessary. Red flags are highly fact-dependent, but some examples of red flags are:

- accusations of improper business practices involving the third party;
- familial or other relationships between any EMCOR Personnel and a foreign official that could improperly influence the decision of a foreign official;
- a third party related to or recommended by a foreign government official;
- a foreign government official or their representative demands retention of a particular party or suggests that such retention will make it easier to obtain business;
- requests by a foreign official or customer for employment of friends/relatives;
- a third-party requests to be paid in cash or in a third country;
- invoices are not adequately documented or are higher than normal;
- a third party has past convictions or charges for violating local laws;
- a third party’s insistence upon receiving a commission payment before the announcement of a contract or decision;
- payments for unspecified services or otherwise questionable services;
- commissions, fees or bonuses that are out of proportion to the value of services rendered (e.g. “success fees”);
- demands for lavish entertainment, gifts or travel;
- refusal to agree to abide by the FCPA, applicable law or this Policy; or
- statements like “I don’t have experience in your industry, but I know the right people.”

Please contact the Office of the General Counsel with any questions regarding conducting due diligence on third party advisors.

## **8. Penalties for Violations**

In addition to jeopardizing EMCOR's business reputation, violations of anti-corruption laws can subject both EMCOR as well as individual employees to substantial criminal and civil penalties. In addition to those penalties, violations of this Policy may result in discipline by EMCOR, including reprimand, suspension or termination. EMCOR may also report violations of this Policy to the appropriate supervisory, regulatory or law enforcement authorities.

## **9. Recordkeeping Requirements**

EMCOR employees must follow applicable standards, principles, laws and practices for accounting and financial reporting. In particular, employees must be timely and complete when preparing all reports and records required by management. In particular, EMCOR Personnel should ensure that no part of any payment is to be made for any purpose other than that to be fully and accurately described in EMCOR's books and records. No undisclosed or unrecorded accounts are to be established for any purpose. False or artificial entries are not to be made in EMCOR's books and records for any reason. Finally, personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

## **10. Updates, Acknowledgement and Training**

EMCOR will provide periodic email reminders to all EMCOR Personnel reminding them of their obligations under this Policy and, if applicable, apprising EMCOR Personnel of any updates to this Policy. As this Policy is part of EMCOR's Code of Business Conduct and Ethics, all EMCOR Personnel will be required to acknowledge their compliance with this Policy in the acknowledgement form they are required to submit in connection with the Code of Business Conduct and Ethics. In addition, EMCOR may require all EMCOR Personnel to acknowledge periodic compliance with this Policy. In addition, at the discretion of the Office of the General Counsel, certain EMCOR Personnel may be required to undergo further training concerning the requirements of this Policy.

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