

Consolidated Water Co. Ltd.

Ethics Program

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OVERVIEW

Consolidated Water Co. Ltd. (CWCO or the “Company”) is committed to conducting business in accordance with the highest standards of conduct, integrity and ethics, and the Company’s Code of Business Conduct and Ethics is based upon this commitment.

This accompanying Ethics Program (the “Program”) is designed to supplement our Code of Business Conduct and Ethics by:

- defining oversight of, and accountability for, our Ethics and Conduct;
- establishing policies, procedures and practices to communicate our standards and effectively manage potential violations;
- communicating protocol as to when and how to raise ethical concerns, providing alternative means of communication, and creating a protected forum for employees raising concerns; and
- enabling each employee to fulfill his/her responsibility in ensuring our standards of conduct and ethics are upheld by all.

The Program is comprised of:

- a Roles and Responsibilities section that outlines the management of, and accountability for, the Program and establishes consequences for confirmed violations;
- a summary of the various Company policies intended to be encompassed by this Program; and
- options for communicating ethical concerns.

As with other personnel policies, this document is intended as a guide. It is impossible to anticipate every scenario. Thus, these materials are not all inclusive. Please contact your manager or local Human Resources department with any questions.

Roles and Responsibilities

The Senior Executive Team

The responsibility for establishing, overseeing and maintaining the Program is assigned to the Company’s Senior Executives: the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer. The Senior Executive team must approve all changes to the Program.

The Senior Executive team is responsible for conducting themselves in an honest and ethical manner, and upholding leadership responsibilities that include: creating a culture of high ethical standards and commitment to compliance, maintaining a work environment that encourages employees to raise concerns and promptly addressing ethical and compliance concerns.

The Audit Committee – Program Effectiveness

CWCO believes the measurement of quality and productivity is an essential component of managing the Program. The Audit Committee of our Board of Directors is responsible for monitoring the effectiveness of the Program. In assessing the effectiveness of the Program, CWCO considers the following metrics:

- Employee participation in the acknowledgement of the Ethics Program, the completion of the Ethics Survey, and the attendance of any mandatory Ethics training.
- Response time from when an ethical concern is communicated to when the Senior Executive Team initiates action, and to when the report is closed.
- Response time from when the decision is made to perform an investigation to when the investigation is completed and the report is closed.
- Process improvement and/or remediation actions as a result of reports.
- The value of assets recovered post an investigation of fraud, theft or embezzlement.

The Audit Committee has the right to request an audit of the effectiveness of the Ethics Program.

Employees

Upholding our standards of excellence is everyone's job. Each employee is required to:

- Review the Ethics Program and become thoroughly familiar with our Code of Business Conduct and Ethics, our Ethics Policies and all other elements of our Program;
- Participate in our periodic Ethics Surveys and acknowledge in writing the review, understanding and acceptance of our Program;
- Participate in any mandatory Ethics training;
- Seek guidance from management or the Senior Executive team on questions about ethical issues, legal requirements, compliance with laws or policies, etc.;
- Consistently comply with and uphold our standards of conduct and ethics in his/her daily work; and
- Immediately report suspected violations of law, policy and/or other improper behavior.

Periodically, but no less than every three years, the Senior Executive team will distribute the Program to all Employees. It is the responsibility of all employees to document, via email or hand written signature, their receipt and acknowledgement of the Program. Each employee must also agree to abide by the letter and spirit of the Program. The Human Resources department is responsible for communicating the Program to all new employees as part of their employment orientation and responding to questions relating to the Program.

In addition, in conjunction with its financial controls testing (i.e. SOX) CWCO will periodically contract with an independent vendor for an anonymous ethics survey. The purpose of the survey is to obtain employee feedback as to the effective of the Program.

Consequences of Violation

CWCO considers strict compliance with its Ethics Program to be a matter of utmost importance. Violations of the Program could lead to civil or criminal proceedings against the Company and/or harm to our Employees and/or other stakeholders. Any employee of the Company who is found to have violated the Program will be subject to disciplinary action, up to and including immediate termination of employment and possible legal prosecution.

SUMMARY OF ETHICS POLICIES

Our Ethics Policies are a core element of our Program, and are designed to protect Employees and the Company by preventing conduct that is or could be perceived as being illegal or unethical practices, discrimination, harassment and / or other policy violations. It is every Director, Officer and Employee's responsibility to report suspected violations of law or policy or any other inappropriate behavior so that appropriate and expedient action may be taken by the Company. We are committed to our Code of Business Conduct and Ethics and must hold ourselves and each other accountable to them. Below is a summary of our Ethics Policies. For more detail, please refer to the full policy.

Code of Business Conduct and Ethics

Any reports of suspected or known violations of the law or CWCO's Code of Business Conduct and Ethics Program will be investigated appropriately. The Company prohibits retaliation against Employees, as well as its contractors, subcontractors, and agents for making a good faith report of suspected violations of law or policy or other inappropriate behavior. Examples of prohibited retaliation include making untrue statements about that individual; harassing, demoting, withdrawing benefits from or terminating the employment of the Employee. Please refer to the Code of Business Conduct and Ethics policy.

Anti-Discrimination and Anti-Harassment Policy

CWCO is committed to maintaining a work environment free of discrimination and harassment on the basis of race, gender, age, color, national origin, religion, disability, marital status, sexual orientation, veteran status, pregnancy, position in the Company, gender identity or expression and ethnicity.

We do not tolerate discrimination against or harassment of personnel by a manager, co-worker, vendor, customer, or anyone else. Any Employee who engages in behavior that could be perceived as discriminatory, harassing, offensive or which otherwise violates our policy, will be disciplined up to and including immediate termination of employment.

Harassment, discrimination or offensive behavior that violates CWCO policy may be verbal or physical. It may be any conduct, statement, or action that denigrates or shows hostility or aversion toward an individual because of his/her protected status. See the Anti-Discrimination and Anti-Harassment Policy.

Anti-Fraud Policy

The Company has established an anti-fraud policy to enforce controls and to aid in the prevention and detection of fraud or abuse against the Company. This policy applies to any fraud or abuse, or suspected fraud or abuse involving Directors, Officers, employees, consultants, vendors or contractors.

There is “zero tolerance” for unethical behavior of any type including fraud or abuse.

Failure to comply with this policy will result in disciplinary action, including immediate termination of employment. Failure to comply by a consultant, vendor or contractor, could result in cancellation of the business or other relationship between the entity/individual and the Company. See the Anti- Fraud Policy.

Insider Trading and Disclosure of Non Public Information Policy

Any person who has Material Non Public Information regarding the Company may not purchase or sell the Company’s securities until the information has been fully disclosed to the public. In addition, any person who has obtained Material Non Public Information about another company through his or her employment with the Company may not purchase and sell such company’s securities until the information has been fully disclosed to the general public.

The purchase and sale of the Company’s securities applies to all transactions in the Company’s securities, including common stock, options for common stock and any other securities the Company may issue. Other such securities may include: Preferred or preference stock, warrants, convertible debentures and derivative securities relating to the Company’s stock, whether or not issued by the Company, such as exchange-traded options. Refer to the Insider Trading and Disclosure of Non Public Information Policy

Vehicle Use Policy

The Company has established a policy governing the Company’s vehicle fleet as it relates to: Procurement, General Company Vehicle Requirements, Vehicle Assignment, Licensing / Insurance / Maintenance and Repairs, Vehicle Use, and Accidents. Refer to the Vehicle Use Policy.

Use of Company Assets and Resources Policy

Improper use of Company assets and resources could lead to increased costs and risks to the Company, particularly from operation, regulatory and corporate reputation standpoints. Proper utilization of Company Resources ensures organizational risks and costs are properly managed.

Company Resources may not be used for personal purposes except for incidental use. The incidental use of Company resources for personal purposes must not:

1. Result in additional expense to the Company
2. Impede normal business functions

3. Be for non-approved private commercial purposes
4. Be used for illegal activity
5. Be used to intentionally access, create, store, or transmit obscene materials
6. Be used to compete unfairly with other companies
7. Be used to promote a personal or political agenda

Refer to the Use of Company Assets and Resources Policy.

COMMUNICATIONS

All Directors, Officers and Employees are required to report violations of our Program or any applicable law to the Senior Executive team. This section outlines the communication protocol from inquiring more about a potential concern to reporting a claim and what happens after the claim has been reported. In complement to this program, the Senior Executive team has created separate reporting procedures outlining the protocol from reviewing a claim through conducting an investigation. The purpose of this section is to clarify any concerns or questions you may have regarding your communication options for reporting unethical activities.

Asking Questions

CWCO operates under an Open Door Policy in which Employees are encouraged to discuss any work related problem with management at any time. In most cases, Employees should talk to their manager first about any questions they may have regarding any aspect of our Ethics Program.

When you have questions regarding proper conduct in a particular situation, as it relates to our Ethic Policies, you should review the specific Ethics Policies or related sections of the Ethics Program and contact your manager or a member of the Senior Executive team.

We encourage you to seek guidance first from your manager for routine workplace issues that do not involve perceived violations of law or ethical conduct.

Determining what is an Appropriate Report

Employees are required to report any suspected violations of our Code of Business Conduct and Ethics or any of our other ethics policies. To further clarify violations of our conduct and ethics standards, and to assist you to determine what constitute genuine ethics concerns, the Senior Executive team created a listing of unethical actions that should be reported immediately, which is set forth in Attachment A to this policy.

Reporting a Violation

Any Director, Officer, Employee, consultant, vendor or affiliate of the Company who believes that he or she, or someone else, has been subjected to conduct that would constitute a violation of our Program must immediately report it.

In most cases, you should first speak to your manager if you have a concern or are aware of a possible violation. If you are not satisfied with your manager's response or if you are uncomfortable going to your manager with your report, you have other means of reporting a perceived violation:

- Contact a member the Senior Executive team.
- Call or email the Ethics Officer.
- Send an anonymous fax to a member of the Senior Executive Team or Ethics Officer.
- Respond anonymously to the periodic ethics survey.

We encourage you to avail yourself of whichever method of communication you are most comfortable with. However, not reporting a perceived violation is unacceptable. We are committed to our non-retaliation policy and have provided the **anonymous** options of either:

- faxing a member of your Senior Executive team or
- faxing your Independent Ethics Officer or
- responding anonymously to the annual Ethics Survey submitted by the Independent vendor.

If you are a manager and have been approached by an Employee with a potential report of a violation, you must contact a member of your Senior Executive team for further guidance.

Regardless of the method of communication you choose (verbal, electronic, handwritten, etc.), all reports must be recorded by the Independent Ethics Officer. You can submit your report directly to the Independent Ethics Officer, or to your manager or to your Senior Executive team. Whomever you reported to, will record the report of a potential violation upon receipt.

We expect that an Employee reporting a potential violation will use his/her best judgment and common sense in assessing the validity of a potential ethical violation. All reports of potential violations are to be fact-based and respectfully worded. To assist in conducting a meaningful review, we request you provide as much detail as possible in your report.

The Report Management Process

Each report will be handled on a case-by-case basis. We recognize that each report is unique and may vary in complexity and time to assess. CWCO is committed to a timely response to each report and shall not exceed 72 business hours from the time the report is submitted to the time the fact gathering process begins.

Once a report is submitted, based on the report category, the respective Senior Executive team member will begin to gather facts regarding the report. The fact gathering process is a standard operating procedure and will be performed for all reports submitted. The purpose of the fact gathering process is to answer the basic question: What happened? The Senior Executive team will review the case and submit a report for the Ethics Officer to determine if an investigation needs to be conducted.

An investigation will be determined by the Ethics Officer based on the details of the initial complaint and the information obtained during the fact gathering process. If the decision is to proceed with an investigation, the investigation will be conducted promptly. The Independent Ethics Officer will establish the members of the investigative team, who will vary based on the facts of each report. CWCO is committed to conducting fair, relevant and independent investigations.

To the extent appropriate, the individual filing a report will be kept apprised of the fact-gathering and/or investigative process. The individual filing the report will be notified when the report is closed with information, as appropriate, of the outcome.

Do not hesitate to contact your Senior Executive team with any questions or concerns.

CONTACT INFORMATION

Primary Ethics Officer

Richard Finlay, Director
Phone Number: 345-814-7360
Email: rblowingrock2013@gmail.com

Alternate Ethics Officer

David Sasnett, EVP and CFO
Phone Number: 954-509-8205
Email: dsasnett@cwco.com

EMPLOYEE ACKNOWLEDGEMENT

The undersigned, _____, hereby acknowledges receipt of the Code of Business Conduct and Ethics (the “Code”) of Consolidated Water Co. Ltd. (the “Company”), as adopted by the Board of Directors of the Company on November 17, 2009, as amended from time to time. In addition, the undersigned hereby confirms that he/she has carefully read, understands and will abide by the Code during and after his or her affiliation with the Company.

The undersigned agrees that the terms of this Code are incorporated by reference into his/her Contract of Employment.

Print Name:

Signature:

Date:

Attachment A

Unethical Action	Description
Accounting and Auditing Matters	Unethical recording and analysis of financial transactions associated with generally accepted accounting practices. (Examples include: misstatement of revenues, misstatement of expenses, misstatement of assets, misapplications of accounting guidance/ principles (GAAP or IFRS) or wrongful transactions)
Securities Violations	Infringement, transgression; specifically: an infringement of the rules which securities acts define. (Examples include: insider trading)
Confidentiality and Misappropriation	Confidentiality refers to the protection of the Company's and other stakeholders non-public information and use of such information only for legitimate business purposes. Misappropriation refers to the unauthorized or improper use of a third party's intellectual property rights, including patents, trademarks, copyrights and trade secrets.
Data Privacy	Technical, contractual, administrative and physical steps taken by unauthorized access to and disclosure of personally identifiable data of employees and customers and other third parties that we possess.
Abuse of or Fraud with Company Benefits	Improper, misleading or deceptive actions taken, falsification of records, or misrepresentation of physical conditions related to benefit plans including health and supplemental income plans, tuition reimbursement and sick or other paid time off programs.
Conflict of Interest	Directors, officers and associates must do everything they reasonably can to avoid conflicts of interest or the appearance of conflicts of interest. A "conflict of interest" occurs when an individual's private interest is different from the interests of the company as a whole.
Embezzlement	To appropriate (as property entrusted to one's care) fraudulently to one's own use (Examples include: bookkeeping errors, misapplication of funds, and mishandling of cash)

Attachment A

Unethical Action	Description
Falsification of Contracts, Reports or Records	Falsification of records consists of altering, fabricating, falsifying, or forging all or any part of a document, contract or record for the purpose of gaining an advantage, or misrepresenting the value of the document, contract or record
Theft	The act of stealing; the illegal taking and removing of personal property with intent to deprive the rightful owner
Time Abuse	Concerns about an employee or manager who is falsifying his/her work hours
Improper Giving or Receiving of Gifts	The giving, receiving or solicitation of items which could be reasonably interpreted as an effort to influence a business relationship or decision; items given, received or solicited for the benefit of an individual or an individuals family or friends in connection with contract negotiations; the acceptance of cash, checks, money orders, vouchers, gift certificates, loans, stocks or stock options
Discrimination or Harassment	Behavior that could be perceived as discriminatory, harassing or offensive at an employee because of his or her race, gender, age, color, national origin, religion, disability, marital status, sexual orientation, veteran status, pregnancy, position in the Company, gender identity or expression and ethnicity
Misconduct or Inappropriate Behavior	Intentional wrongdoing; specifically: deliberate violation of a law or standard.
Retaliation	Verbal, physical or written discriminatory or harassing behavior toward an individual who has made a good faith report regarding a compliance issue.
Sabotage or Vandalism	Destruction of an employer's property (as tools or materials) or the hindering of operations by discontented workers (Examples include: Equipment destruction, stealing, work slowdown, computer virus)

Attachment A

Unethical Action	Description
Substance Abuse	Substance abuse is defined as the misuse of legal and the use of illegal drugs including alcohol. (Examples include: cocaine, narcotics, marijuana, stimulants)
Violation of Policy	Actions that are in violation of company policy, procedures, code of conduct, and/or implied contractual responsibilities (Examples include: non-disclosure agreements, hiring standards, safety, internet usage, corporate guidelines).
Copyright Violations or Software Piracy	Unauthorized use of corporately owned copyrights or software; also includes the use of unauthorized software on corporately owned systems.
Diverting of Product or Business Opportunity	Using corporate property, information or position for personal gain; appropriating or diverting any business opportunity or idea in which the Corporation might have an interest; competing with the Corporation in any way.
Environmental Protection, Health or Safety Law	Violation of any environmental law, regulation, corporate policy or procedure with respect to the handling and disposal of hazardous materials or the health and safety of other individuals.
Misuse of Assets or Services	Use of Company resources or equipment without permission for non-business reasons.
Violence or Threat	Any direct or implied threat to inflict evil, injury, or damage to a person or their property. (Examples include: direct, veiled, conditional, violent)
Unsafe working conditions	Failure of meeting requirements needed to perform all duties in a secure environment. Potential areas of harm. (Examples include: environmental damage, OSHA, EPA,)
Other	If you feel that the definitions above do not describe the event, action or situation you are looking to report about, please use this header.