

CFAO GROUP ANTI-BRIBERY AND CORRUPTION PROCEDURES

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1. What? Why? For Whom? How?

a. What is it?

The CFAO Group Anti-Bribery and Corruption Procedures (“**CFAO ABCPR**”) provides practical standard measures and processes to be implemented by any entity of the Group in order to enhance their defence system against corruption and influence peddling:

- i) Creation of a compliance organisation that will deal with compliance issues,
- ii) Implementation of procedures to tackle identified risky situations,
- iii) Implementation of a third-party due diligence before entering into a relationship with third parties,
- iv) Provision of a methodology for the risk assessment of material contracts with government or public or private co-contractors, to be taken into consideration before approval,
- v) Provision of methodology of the reporting of suspicious conduct.

Such Procedures thus are implementation measures for the principles set in the CFAO Group Anti-Bribery and Corruption Policy.

b. Why is it needed?

The reasons why anti-corruption policies and procedures are needed are extensively explained in the CFAO Group Anti-Bribery and Corruption Policy. We invite you to refer to this document should you wish to learn more about these reasons.

c. For Whom?

All directors, officers, employees, agents, contractors, organisations and third parties acting directly or indirectly for or on behalf of a company belonging to CFAO Group are required to comply with all applicable local, regional and international laws and regulations and with the CFAO Group’s rules, including the present procedures.

d. How does it articulate with other sets of rules?

i. With the COCE

The purpose of the COCE is to provide guidelines for the behaviour of all CFAO Group employees. The COCE Confirmation chart is a tool to assist employees in situations where they may have difficulties identifying which behaviour is compliant with the COCE principles.

The CFAO ABCP thus completes and clarifies, on the specific topics of corruption and influence-peddling, the COCE.

ii. With the Anti-Bribery and Corruption Policy

The CFAO Group Anti-Bribery and Corruption Policy (“CFAO ABCP”) aims at defining and describing corruption and influence-peddling, clearly prohibiting any act of corruption or influence-peddling under any form, providing the sanctions that will be applied in the event such prohibition is violated, and finally identifying principles and guidelines (applicable to all divisions of the Group) to be followed in order to identify risky situations and to avoid any violation.

The present Procedures thus are implementation measures for the principles set in the CFAO Group Anti-Bribery and Corruption Policy.

iii. With local implementation documents

Divisions’ compliance organisations, in the implementation of the global rules at division level, are in a position to seize a better granularity of the risks identified at group level. Therefore, implementation of global rules induces a complementation of these rules locally.

Subject to compliance with local laws, the abovementioned three instruments (COCE, CFAO ABCP and CFAO ABCPR) will be integrated into the internal regulations of each subsidiary and must be enforced.

The list of risky situations identified, at group level, in the CFAO Group Anti-Bribery and Corruption Policy may thus be completed, at division level, with some division-specific risky.

Similarly, adjustments to the CFAO Group Anti-Bribery and Corruption Procedures may also be performed locally.

The respect of the various rules and instruments mentioned above will be regularly controlled by the

2. Definitions

ABCP: the CFAO Group Anti-Bribery and Corruption Policy

ABCPR: the CFAO Group Anti-Bribery and Corruption Procedures

Bribery: To bribe means giving, offering or receiving anything of value, to or from any person whether public or private, with the intention to induce or be induced to do something improperly in order to obtain, retain or secure an advantage (either for the company – such as a business advantage – or a private advantage).

Corruption: the term corruption refers to promising, giving, offering (active corruption) or soliciting and receiving (passive corruption) from a third party directly or indirectly an undue advantage for oneself to facilitate, accomplish or refrain from performing an act of one’s function.

Company: Covers any company of the CFAO Group, including your company.

Compliance Organisation: the Compliance Officer (“CO”) and/or Compliance Committee (“CC”) in your company.

Division Compliance Organisation: the Division Compliance Officer (“DCO”) and/or Division Compliance Committee (“DCC”) in your division.

Employee: Any director, officer, manager or employee, whether designated or hired by the company, either for a limited duration or an indeterminate period, to work for the company.

Government: Generally refers to the governing body(ies) of persons in any state, country or territory. For the sake of completeness, it is hereby clarified that such term can also cover indistinctly:

- a. any ministry, body, department, agency, or any part of the government;
- b. any instrumentality of the government, public agency or public entity including but not limited to:
 - (i) any commercial entity of which a majority of the shares or the voting rights is directly or indirectly owned by the government;
 - (ii) any commercial entity of which a majority of directors and officers or the key director or officer is nominated or appointed by the government;
 - (iii) any commercial entity of which the government is entitled to permit or veto any or all substantial matters; and
 - (iv) any other commercial entity directly or indirectly owned or controlled by the government;
- c. political parties; or
- d. international institutions

Government Official: any individual who is candidate for public office or holds a legislative, administrative or judicial position of any kind, whether appointed or elected, who exercises a public function for a country, a territory, any public agency or public company of that country or territory, who acts as an official or agent of a public international organisation (including agents and consultants), who works in public institutions which are owned, controlled and/or run by the government.

Government or Material Project: any material transaction or project for the company in which the Government or a private client is involved as a purchaser, user, consumer, licensor, donor, financial provider, contractor, subcontractor and/or supplier.

Government or Material Project Criteria: correspond to those defined

- at group’s level, *i.e.* any project or transaction involving an amount equal to or higher than 0.5 Million Euros for transaction with public authorities and 0.5% of the Subsidiary’s annual turnover for Private clients, or
- by the DCO if available and lower.

Group Compliance Organisation: the Group Compliance Committee (“GCC”) and the Group Compliance Officer (“GCO”) at group level.

Influence peddling: is characterised by a gift or undue advantage offered or granted to the beneficiary in exchange for the use of his/her influence in order to obtain a favourable decision.

Third party: any service provider, supplier, customer, agent or consultant acting for or on behalf of the company, or supplying or selling any good or service to the company.

3. Person in charge of implementing the Procedure

a. Compliance Officer

A Compliance Officer (“CO”) should be appointed by the CEO in every company of the Group. Proposal of CO appointment shall be subject to DCO approval.

The CO should be responsible for the implementation/enforcement of the COCE, the ABCP, and the ABCPR, and for dealing with violations of these instruments by employees and the company.

The position of Compliance Officer may be someone already having another high position in the company, such as the CFO or General Counsel.

b. Compliance Committee

Upon request of the CFO or of the DCO, a Local Compliance Committee (“LCC”) shall be created in the company of the Group concerned by the request. Its composition shall be proposed to the CEO by the person requesting its creation.

The role of the Compliance Committee will be to:

- (i) Consult the CO as required
- (ii) Help the CO to establish, maintain and administer the COCE, the ABCP and the ABCPR
- (iii) Monitor compliance with the COCE, the ABCP and ABCPR
- (iv) Investigate and address problems/allegations
- (v) Develop preventive measures to complement the COCE, the ABCP and ABCPR if necessary

The LCC shall be chaired by the CO.

Your company may opt for a structure whereby the Board of Directors serves this role..

c. Compliance Assistant

An employee shall be designated by the CO in every company to serve as Compliance Assistant (“CA”)

The role of this employee will be to:

- (i) Assist in implementing, maintaining, and administering the COCE, the ABCP and the ABCPR
- (ii) Provide information or other resource that is easily accessible to employees
- (iii) Support internal investigations further to red flags, reporting or whistleblowing
- (iv) Serve as Secretary for the Compliance Committee (if applicable)

4. Procedures

The procedures below are defined to tackle the risk situations identified in the ABCP.

If, at any point, potential corruption is suspected, the CO must be notified to determine the appropriate course of action. All potential problems must be fully documented.

a. Gifts and Hospitality

Gifts and hospitality shall be understood as described in the ABCP.

Standard Procedures:

As a principle, nothing of value may be offered, promised, given, requested, accepted, directly or indirectly, to or from a third party, under any circumstances.

Exceptionally, gift or hospitality can be given, received or promised if:

- The gift is **not cash** or cash equivalent;
- Its value does not exceed a threshold that is defined locally based on the recipient's geographic location and standard of living ;
- It is part of normal business relationships;
- It is granted outside tender periods if applicable;
- It cannot be construed as undue influence or a bribe.

Any gift made to an employee must be disclosed to the Employee's N+1.

Relatives of employees may be considered as potentially being in a position to influence business decisions of said employee. Therefore, any Gift given by third parties to such relatives must be disclosed in the same way as gifts received by the employee him/herself.

In such case, no guest of the party invited is permitted. Any request of an additional guest should be discouraged but, in case it is an express requirement of the relevant attendee, he must then pay for all additional costs linked transportation, accommodation and meals and the guest should not attend any event, meeting or meal related to the hospitality provided.

In case the value of the envisaged gift or hospitality exceeds the defined threshold, such gift or hospitality has to be approved by the Employee's N+1 (please refer to the Procedure).

When gift or hospitality is given, received or promised to or from a Government Official or in the context of a Government or Material Project, such gift or hospitality shall be authorized by the Employee's N+1 and by the Compliance Officer (please refer to the Procedure).

Off-the-book accounts or deceptive bookkeeping entries, including payment for any purpose other than that described by the documents supporting the transaction, are strictly **prohibited**.

Occasionally, the company may host events and invite public officials and other third parties. The latter **must be housed on company premises**. The proposed participants must be approved by the CO and the head of the company.

In some cases, local laws and regulations may be more restrictive than this policy. In such instances, the more restrictive rules must be followed.

b. Conflict of interest

Conflict of interest shall be understood as described in the ABCP.

Standard Procedures:

Line managers of an employee or the company business contact for third parties, **must be informed in writing by the employee** of any Conflict of Interest as soon as it arises and such information must be reported to the CO. An employee that has notified a conflict of interest shall be withdrawn from the negotiation causing the conflict except if specifically authorised in writing by the CO.

Any financial or management interest that an employee might take in a third party that has a business relation with the company, any other employment outside the company, or any appointment to external Boards of Directors, **must be disclosed in writing** to the line manager and reported to get the prior written approval from the CO.

Any situation where a relative (father, brother, son, daughter, brother- or sister-in-law) of an employee of the company who is a candidate for a job in the company must be disclosed in writing by the employee to the line manager and reported to the CO.

c. Sponsorship

Sponsorship shall be understood as described in the ABCP.

Standard Procedures:

It is **prohibited to** fund any individual Government official or any individual participating in a Government or Material Project.

Moreover, donations must **never be paid in cash**.

Any cost and expense incurred for Sponsorship which is related to or has an effect on the business of the company **must not be borne by any employee** but by the company or an entity designated by the company.

All payments **must be properly documented** in company financial records.

d. Offshore bank account payments

A payment on an offshore bank account corresponds to the situation where the company is requested by a provider of goods or services to pay an invoice by transfer to a bank account belonging to the provider but not located in the country where the company is incorporated or where the provider is incorporated.

Standard Procedures:

Any offshore bank account payment **is strictly prohibited** and any violation of this principle shall be reported to the CO.

e. Payment to a third party on behalf of the principal

Payment to a third party on behalf of the principal occur when the company is requested by a provider of goods or services to pay an invoice by transfer to a bank account which does not belong to the provider, regardless of whether it is located in the country where the company is incorporated or where the provider is incorporated.

Any payment to a third party on behalf of the principal **is prohibited** and any violation of this principle shall be reported to the CO. As an exception, such payment may be made subject to the fulfilment of all the following conditions:

- Written request of the principal;
- Execution by the recipient of the funds of the letter attached as appendix 1;
- Prior authorisation of the CO before payment.

f. Payments in cash

Payments in cash are prohibited. Any violation of this rule shall be reported to the CO.

g. Due Diligence on Third Parties

A due diligence must be performed before entering into a contract with third parties of the company that correspond to the criteria defined by the DCO for “important third parties”, which shall differ according to the nature of the client (private or public).

In such cases, the following due diligence process shall be carried out in writing, provided to the CO and updated every two years:

- a. Request that the third party fill in the standard questionnaire in order to identify the company, its managers and shareholders;
- b. On receipt of the completed questionnaire, check the information available on the various legal or natural persons listed in the questionnaire in the Dow Jones database. Such control can be performed by a third party specialized provider;
- c. Report any suspicions or adverse information resulting from this search to the CO;
- d. Request the pre-approval of the CO to continue negotiations in cases where any of the persons identified in the questionnaire are subject to a prohibition order, restrictions to trade or appear on a sanctioned list.

Services performed by Government Officials for the company are strongly discouraged. In case the Government Official's knowledge and expertise are considered to be of unique value, and if allowed by local laws and regulations, engaging a government official may be possible, to the extent that it is pre-approved in writing by the CO.

Special care must be taken to ensure that any payment to third parties in relation to a Government or Material Project is not redirected in such a way as to breach the requirements of this policy. Compensation to third parties must be linked directly to and appropriate for the services performed.

5. Risk Assessment of a Government or Material Project

Risk assessment, as described below, must be performed before entering into a contract for a Government or Material Project for the company that corresponds to the Government or Material Project Criteria. In such cases, the following risk assessment methodology attached as Appendix 2 shall be followed:

- a. Rank the project within five categories (A to E) according to the nature of the contract to be entered into by the company
- b. Use the table attached in Appendix 2 to assess the materiality of the Project (Select in the table the appropriate category of the contract, the amount of money involved and the appropriate qualitative test corresponding to the situation) to obtain the valuation of the materiality risk of the project (low, medium and high)
- c. Assess the country risk
- d. Use the matrix to determine the project risk

Before giving approval, the CO shall receive the following information, based on the classification of the project risk.

If the project risk is considered "Low":

- Evidence to support the project's classification as "Low"
- Result of the due diligence search in the database
- Existence, or not, of red flags in the file
- Copy of the anti-corruption provisions in the contract.

If the project Risk is considered "Medium":

- Same as for low + questionnaire completed by the business partner + (if requested) the result of the background investigation on the business partner by internal auditors.

If the project Risk is considered "High":

- Same as for medium + the result of the background investigation on the business partner by external auditors + a copy of the business partner's anti-bribery and compliance programme compared to the ABCP and ABCPR + a copy of the provision in the contract with the business partner of the company's audit right to monitor the business partner's compliance with legislation.

6. Red Flag Reports

A red flag situation is any of the following events:

- (1) Heavy use of cash payments without proper cause;
- (2) Disorganised, inappropriate or ill-administered bookkeeping or accounting records;
- (3) Presence of an employee who refuses to explain or give the details of suspicious or unreasonable payments;
- (4) Increase in profits, earnings or expenditure without proper cause;
- (5) Use of secret bank accounts;
- (6) Excessive commissions or unreasonably large discounts for the Business Partner;
- (7) Appointment of a Business Partner:
 - a. whose ability to work has not been well examined;
 - b. who is merely a shell company incorporated in an offshore jurisdiction;
 - c. who is related to or closely associated with a Government Official;
 - d. whose scope of work/service is vague and who does not make any work products; or
 - e. who is retained because of the request or insistence of the Public Official.
- (8) Refusal to make representations and warranties on the fight against corruption and anti-corruption policies and procedures;
- (9) Hiring a former Public Official, who has belonged to the Government which [the Company's abbreviation] has business with, as an employee or as a Business Partner;
- (10) Hiring a Government Official or a relative to a Government Official who is involved in the Government Project as an employee or as a Business Partner;
- (11) A request by the Business Partner who is involved in the Government Project to pay money into a private or offshore bank account;
- (12) Cash payments for an unclear or uncertain purpose;
- (13) Payments without an accounting receipt;
- (14) Frequent gifts or hospitality provided to a particular recipient;
- (15) Request of concealed Hospitality/Gifts;
- (16) Excessive or lavish Hospitality/Gifts;

(17) Sponsorship (as defined in the ABCP) without proper cause;

(18) Bonus for an unnecessary amount and at an unusual time; and

(19) Any other event equivalent to the above.

If you encounter a Red Flag situation, you must report it to your line manager and consult the CO as soon as possible. Red Flag situations must be resolved before entering into or continuing a business relationship.

The resolution of a Red Flag situation may require:

- the undertaking of specific due diligence (e.g. carrying out a background check on the third party) with the assistance of the CC before proceeding;
- taking additional legal advice; or
- providing anti-bribery and corruption training to the third party.

An employer may also make a whistleblowing system available in the company for the reporting of possible red flag situations.

Appendix 1- Payment to a third party on behalf of a principal

[your company's name]

[your company's address]

Letter of Undertaking

Dear Sir/Madam,

Reference is made to the [name of agreement] entered into between [] (the "**Principal**") and [entity of the CFAO Group] (the "**Agreement**").

We, [], a company incorporated under the laws of [country/state of incorporation], having its registered office at [address], hereby confirm that we are authorized or designated by the Principal to receive the following amount for and on behalf of the Principal (the "Remittance"). Now, Therefore, we hereby request you to make the Remittance to the following bank account:

Amount: []

Name of Bank: []

Bank Account Number: []

Account Holder: []

We hereby acknowledge and confirm that (i) the Remittance does not violate any anti-bribery and/or anti-corruption law or regulation including but not limited to the latest version of the *US Foreign Corrupt Practices Act 1977*, the *Japanese Unfair Competition Prevention Act 1993* and the *UK Bribery Act 2010* and the *French Loi Sapin 2* (collectively, the "Anti-Bribery Laws"); (ii) you have never requested us to receive any payment that may violate any of the Anti-Bribery Laws; (iii) we will not transfer, spend or otherwise use any part of the Remittance in violation of any of the Anti-Bribery Laws; and (iv) after the Remittance is made, you will have no further relation to the Remittance and we will undertake full responsibilities for any and all further transactions with the Remittance. We shall defend, indemnify and hold harmless you, and your directors, officers, employees, agents, successors and assigns, from and against any and all actions, suits, administrative proceedings, claims, demands, liabilities, losses, damages, penalties, and costs and expenses of whatever nature (including without limitation all attorney's fees) arising out of or in relation to the Remittance or any further transactions with the Remittance. We will duly and timely respond to any inquiries that may be made by any governmental authorities or you in relation to the Remittance, and we hereby consent that the full disclosure of the content of this letter may be made at any time to whomever you determine has a legitimate need to know the content of this letter in relation to the Remittance.

Yours faithfully,

Appendix 2- Risk assessment of a Project

A- 1 Categories for Government Project

*All the categories below include transaction(s)/project(s) carried out (i) through a Business Partner (indirect) and (ii) by a member of consortium in which the Company is involved.

Category A	Providing services or selling goods to the Government directly or indirectiv
Category B	Being provided services by or purchasing goods from the Government directly or indirectly
Category C	Transaction/project which requires license or permit from the Government (Including its renewals)
Category D	Transaction/project which the Government supports such as a transaction/project supported by ODA (Official Development Assistance)
Category E	Providing services to a third party (including the affiliates of the Company for the Government Project of the third party (e.g. being an agent of the third party and negotiating with the Government on its behalf)

Assessment of the Materiality

	Amount of money (€)	Qualitative tests				Materiality
	Category A or B	Amount of transaction (for 3 years in case of Continuous transaction)	The Business Partner has a monopoly on the Government Project (e.g. The business with the Ministry of Economy is the Business Partner's monopoly.)	No- bid contract	Any of the Business Partners is a Government	It is a continuous transaction or is expected to be continuous
equal to or more than 3.8 million		-				HIGH
equal to or more than 0.7 million and under 3.8 million		Any of them apply				HIGH
		None of them apply				MEDIUM
Under 0.7 million	-				LOW	

Category C	Amount of money (€)	Qualitative tests				Materiality
	Total Amount of the transaction / Project	The Business Partner has a monopoly on the Government Project (e.g. The business with the Ministry of Economy is the Business Partner's monopoly.)	The Business Partner has a close relationship with the government who is responsible for such license or permit	Any of the Business Partners is a Government	The Business Partner's principal place of business is in the country of the government responsible for such license or permit	Result of the assessment
	equal to or more than 3.8 million	-				HIGH
	equal to or more than 0.7 million and under 3.8 million	Any of them apply				HIGH
		None of them apply				MEDIUM
	Under 0.7 million	-				LOW

Category D	Amount of money (€)	Qualitative tests				Materiality
	Total Amount of the transaction / Project	The Business Partner has a monopoly on the Government Project (e.g. The business with the Ministry of Economy is the Business Partner's monopoly.)	No bid contract or the business Partner has a close relationship with the Government	One of the Business Partners is a Government	The Business Partner's principal place of business is in the country of the government	Result of the assessment
	equal to or more than 3.8 million	-				HIGH
	equal to or more than 0.7 million and under 3.8 million	Any of them apply				HIGH
		None of them apply				MEDIUM
	Under 0.7 million	-				LOW

Category E	Amount of money (€)	Qualitative tests			Materiality
	Total amount of service fee and profits from the associated transaction afterward	Service fee is contingent on the success of the Government Project	The Business Partner has a monopoly on the Government Project (e.g. The business with the Ministry of Economy is the Business Partner's monopoly.)	The Business Partner's principal place of the business is in the country of the Government	Remit of the assessment
	equal to or more than 3.8 million	-			HIGH
	equal to or more than 0.7 million and under 3.8 million	Any of them apply			HIGH
		None of them apply			MEDIUM
	Under 0.7 million	-			LOW

A- 2 Categories for Material private Project

Total amount of the Project/ transaction	Risk
Equal to or more than 5% of the annual turn over	HIGH
Equal to or more than 1% of the annual turn over and under 5%	MEDIUM
Under 1% of the annual turn over	LOW

B- Country Risk

CPI	Level of risks
None, 0-40	HIGH
41-70	MEDIUM
Over 70	LOW

C- Bribery Risk Evaluation Matrix

HIGH	LOW	MEDIUM	HIGH	HIGH
MEDIUM	LOW	MEDIUM	MEDIUM	MEDIUM
LOW	LOW	LOW	LOW	LOW
	LOW	MEDIUM	HIGH	

Country Risk

Materiality