

“Code of Conduct

Loi n°2016-1691 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique



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This Code is annexed to the Internal Regulations of the Company.

If the Company is not subject to the obligation to provide internal regulations, the Code must be hand delivered to the employees against receipt.



WHY A CODE?

For almost 160 years Demathieu Bard has conducted its activities in observance of business ethics.

These commitments are included in the Ethics Charter of the Group which all personnel and directors agree to uphold without reservation.

Ethics is above all the observance of the rule of law.

The Group has thus forbidden any practice relating to corruption and influence trading which are contrary to its fundamental values and which expose it as well as its directors and representatives to serious sanctions.

By means of training, the Group helps its personnel and directors to become aware of the risks connected with such practices.

It is necessary to increase this momentum.

Throughout the world, countries are reforming their legislative systems by adopting restrictive anti-corruption and anti-influence trading mechanisms. In France, the Law of 9 December 2016 known as the *Sapin II Law* is in line with this and takes up principles that are commonly agreed.

These mechanisms create an incentive for companies to take into account the preventative measures that have been implemented.

The Sapin II Law creates the obligation to implement measures to prevent and detect cases of corruption and influence trading in France and abroad and, in particular, requires companies to establish a *“code of conduct that defines and illustrates the various types of conduct to be prohibited.”*

The inclusion of the prevention of corruption thus responds both to the legislative requirements and the pressing need to develop good governance practices and to reinforce a proactive culture for detecting risks in order to serve the competitiveness of the Group.

Consequently, the purpose of this Code of Conduct is to put in place measures so that our personnel and our directors, wherever they are located, may:

- Prevent any involvement by any of the Companies of the Group, whether in France or abroad, in any practice involving corruption and influence trading, and
- If necessary, to report any such practice, whether in France or abroad, involving corruption or influence trading.

René SIMON - Chairman of the Management Board

Franck BECHEREL – Philippe JUNG – Chief Executive Officers

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Definitions

The terms beginning with a capital letter are defined as follows:

“Public Agent” designates:

- Any person who possesses public authority, namely any person to whom is delegated by the public authorities a power of decision or restriction (whether this person performs this in a permanent or temporary manner);
- Any person charged with a public service, namely any person who, without having received a power of decision or restriction conferred by a public authority, nonetheless performs a task of general interest;
- Any person who possesses a public elective mandate, namely any elected person who is charged with acting in the name of and on behalf of his/her electors, regardless of whether this person possesses a power of decision or restriction.

“Advantage” includes any service, payment (in cash or in kind), gift, loan, Hospitality (as defined below), contribution, grant, subsidy or patronage, and more generally anything that may have an interest for the beneficiary, regardless of its nominal value.

“Mapping” designates the risk mapping for corruption and influence trading realised in connection with compliance with the Law No. 2016-1691.

“Ethics Charter” designates the Ethics Charter of the Group, to which the Code may refer.

“Code” or **“Code of Conduct”** designates this Code and its annexes.

“Group” designates the DEMATHIEU BARD group, namely all of the companies affiliated with the Demathieu & Bard Group.

“Hospitality” designates costs for travel, meals and lodging.

“Person” designates any Public Agent or person under private law, whether this is a physical person or a legal entity, regardless of its form and its objective.

“Internal Alert Procedure” designates the procedure in force within the Group which organises the reporting of prohibited practices, the initial version of which is annexed hereto.

“Company” designates the Demathieu & Bard Group, as well as any company organised under French or foreign law that is controlled by it in the sense of Article L. 233-3 of the Commercial Code, namely any company:

- 1) in which Demathieu & Bard Group directly or indirectly holds a fraction of the share capital which grants it the majority of the voting rights in the general assemblies of such company;
- 2) in which Demathieu & Bard Group holds the majority of the voting rights on the basis of an agreement concluded with the other partners or shareholders and which is not contrary to the interests of such company;
- 3) in which Demathieu & Bard Group, by the voting rights that it possesses, in fact determines the decisions in the general assemblies of such company; or
- 4) in which Demathieu & Bard Group is a partner or a shareholder and possesses the power to appoint or remove the majority of the members of the administrative, management or oversight bodies of such company.

“Third Party” designates any physical person, legal entity, company, partnership, association, foundation, trust or other entity acting or charged with acting on behalf of or in favour of one of the Companies, including, without limitation, sales agents, consultants, business finders, distributors, joint venture partners or joint ventures that the Company does not control in the sense of Article L. 233-3 of the Commercial Code (see the definition of **“Company”** above).



Field of application

This Code applies to all of the personnel and directors of the Group.

It is applicable wherever the Companies of the Group perform their activities, whether in France or abroad, without prejudice to the application of the most demanding local legislation, as the case may be.

The Code is implemented in the relations with the prospects and the clients of the Group, the suppliers, sub-contractors, service providers, agents and, more generally, all of the partners of the Group.



Conduct prohibited by French Law

Active Corruption

- Giving, offering or promising to give any Advantage, whether directly or indirectly, to any Person with the goal of obtaining or avoiding the performance of an action by such Person in connection with the performance of that Person's functions.

Example from the Mapping:

An employee offers to perform works at the home of an elected official free of charge in exchange for obtaining a contract or an amendment

Passive Corruption

- Soliciting or accepting any Advantage, whether directly or indirectly, from or on the part of any Person in relation with the improper performance of a function or an activity.

Example from the Mapping:

An employee agrees that a sub-contractor will perform works free of charge at his/her home in exchange for a contract with the Group

Corruption



Influence Trading

- Giving, offering or promising to grant any Advantage to an intermediary who possesses real or supposed influence in order to obtain from a public authority or administration a distinction, employment, a contract or any other favourable decision.

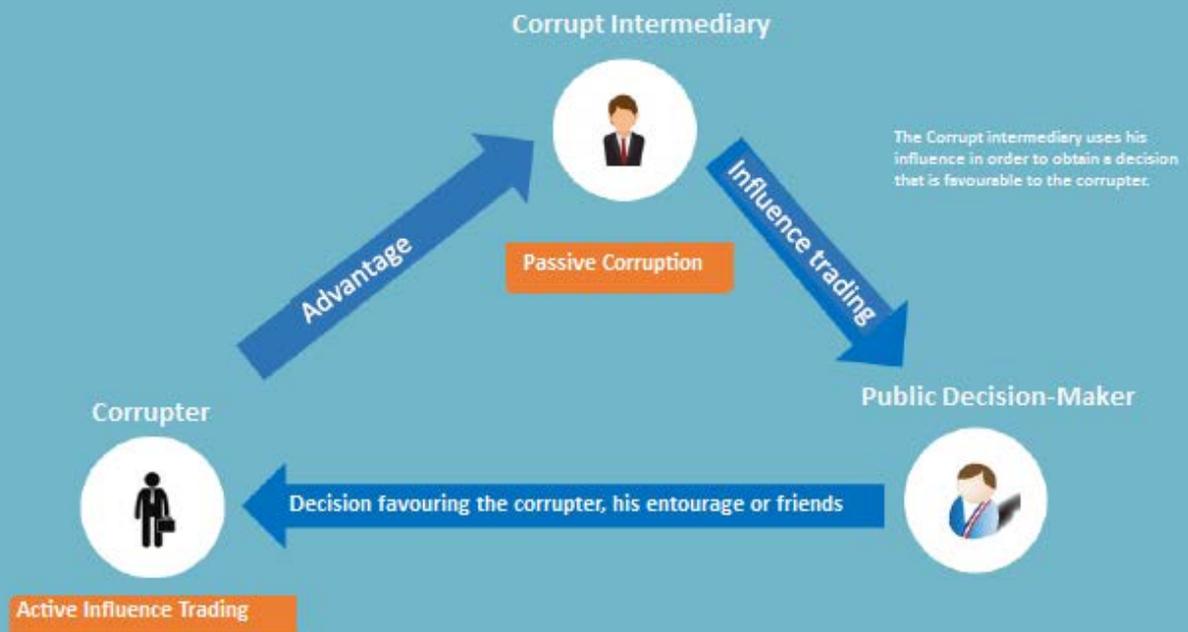
Example from the Mapping:

A business finder remunerated by the Group uses his influence with a public contracting authority in order to obtain a deal

The element that differentiates influence trading and corruption is that the offence of influence trading does not address the decision-maker (the Public Agent), but the persons who are close to power and who attempt to obtain Advantages because of their situation, which influences the decision-maker.

It is sometimes difficult to differentiate illicit influence trading and legal lobbying, which consists of explaining and convincing.

In this regard, **any use of a lobbyist must be first authorised by the General Management.**



Contributions to charity activities and patronage actions are authorised if they actually serve a cause of general interest and contribute to the citizenship action defined by the Group.

Patronage activities are, in principle, conducted by DB Initiatives under the conditions set by its Internal Regulations.

Sponsoring activities of any sort and patronage activities that are not conducted by DB Initiatives must be subject to prior written approval by the General Management and must be duly accounted for.

Example from the Mapping:

Following requests by a Public Agent, an agency of the Group agreed to sponsor the city's basketball club.

Subject to the rules set out in this Code, relations with Public Agents are authorised if they are objectively and directly motivated by legitimate professional reasons.

Any relationship must be in good faith and framed by documentation in good and due form.

The provision of gifts, the offer of Hospitality or any other Advantage to Public Agents charged with a mission of public service of oversight (the DIRRECTE, safety commissions, etc.) is rigorously prohibited.

Example from the Mapping:

A director of an agency offers gifts to a Labour Inspector in order to benefit from his indulgence at the time of an inspection.

The Offer of Advantages

Business gifts, invitations to events and Hospitality are intended to establish commercial relations between partners, but must not in any case lead to obtaining or granting preferential treatment.

An invitation to an event or an occasional gift may be offered provided that it is reasonable and proportionate, in accordance with the regulations and the local commercial practices and does not affect or is not likely to give any Third Party the impression that it may affect the result of commercial transactions.

In all cases, particular attention must be made to the gifts offered to Public Agents.

Occasional Hospitality may be offered provided that it is motivated by legitimate professional reasons and that it is reasonable and proportionate.

Example from the Mapping:

An employee offers a client to come visit a project carried out by the Group on the island of Reunion, with all expenses paid, along with his family, in order to obtain a similar contract.

Acceptance of Advantages

Only Advantages with a modest value may be accepted by the personnel. In this case, they must be delivered to the employee's place of work and not to his/her home.

The objective of such rules is to avoid the personnel of the Company taking decisions on the basis of any criteria other than the economic and technical performance of the offers of sub-contractors, suppliers and service providers, and in order to preserve the image of the impartiality of the Company.

Invitations to events or offers of Hospitality may be accepted by the Company's personnel if they are reasonable and proportionate, and when they relate solely to the concern of improving commercial relations with the sub-contractors, suppliers and service providers.

Participation in professional travel financed by sub-contractors, suppliers and service providers is strictly prohibited, even if this takes place during the employee's vacation time, unless expressly agreed by the General Management of the Group.

It is prohibited to favour in any manner whatsoever a sub-contractor, supplier or service provider that has offered or granted an Advantage to an employee, even if this only represents a symbolic value.

Example from the Mapping:

A supplier very often invites the employees of the Group to sporting events in order to enjoy privileged information.

As is indicated above, the anti-corruption and anti-influence trading laws and regulations and this Code prohibit any form of indirect corruption/ influence trading, including if it is offered or accepted by the intermediary of a Third Party. The Company may deal with Third Parties throughout the world and must ensure that its standards of integrity and ethics are observed by those who act on its behalf.

Consequently, the Company is developing a specific procedure to be followed in order to evaluate the situation of Third Parties. The employees, executives and directors of the Company must not deal with Third Parties outside of this procedure.

“FACILITATION” PAYMENTS

Payments known as “facilitation” payments are defined as payments made with the goal of accelerating or facilitating the performance of routine public functions by a Public Agent.

These facilitation payments are generally of a low value and are made or requested by low level Public Agents in order to incite them to perform their functions such as:

- Issuing licenses or granting permits that the Company, its employees, executives or directors have the right to receive,
- Registering or acknowledging receipt of a response to a call for offers,
- Offering police protection.

Even if these so-called “facilitation” payments may not be illegal and represent common business practices in certain countries, the Company has the policy that it, its employees, its executives or directors do not directly or indirectly make such payments.

Example from the Mapping:

At the time of delivering a plant in Latin America, an employee or an intermediary offers an envelope containing cash to a Public Agent in order to accelerate the process.

CONFLICTS OF INTEREST

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Any employee or director who, as part of his/her personal activities, contributes to the decisions of a public authority or collective must refrain from participating in any decision which affects the Group and when this decision may constitute a conflict of interest.

Moreover, an employee must refrain from holding an interest in or investing in a company, whether it is a client, a supplier or a competitor of the Group if this investment is of a nature to influence his/her behaviour in the performance of his/her functions in the Group.

All personnel must inform the Group and their supervisors of personal situations that may be considered to be a conflict of interest.

Finally, with regard to his/her obligation of loyalty to the Group, the employee must ensure that he/she does not directly or indirectly perform any activity or hold any positions that would place him/her in a situation of conflict of interest with the Group.

Example from the Mapping:

A site supervisor chooses a sub-contracting company that belongs to a member of his/her family.

POLITICAL GIFTS AND CONTRIBUTIONS

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Political gifts and contributions are financial or in-kind gifts or contributions made in favour of a candidate for a political mandate or in favour of a political party or organisation. These gifts and contributions are prohibited.

IMPLEMENTATION OF THE CODE

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Reporting

It is up to each person to ensure that the measures set out in this Code are observed.

Any employee or collaborator who notes a violation of this Code is required to inform his/her supervisor of this or, in the absence of this, to report it in accordance with the provisions provided for by the Internal Alert Procedure as annexed to this Code in its initial version.

Any report made in bad faith, by communicating, for example, false or inaccurate information with a malicious purpose or intention is subject to disciplinary and/or penal sanctions.

Training

Training is organised regularly by the Company in order to sensitise the personnel who are the most exposed to risks of corruption and influence trading.

It is up to the regional Directors of subsidiaries, agencies or support functions to schedule this training for their personnel who are the most exposed.

Administrative and accounting traceability

The use of the assets of the Company (including currency) must be duly recorded with sufficient details in order not to be perceived as a concealment of inappropriate payments.

Moreover, the documentation demonstrating the grounds for the services in question and the corresponding payments must be retained.

An internal procedure defines the rules for accounting control which allows it to be ensured that the books, registers and accounts are not used to mask proof of corruption or influence trading.

The fact of concealing or attempting to conceal proof of corruption or influence trading may be subject to disciplinary sanctions.

Sanctions

Any violation of the anti-corruption and anti-influence trading laws and regulations is a misdemeanour subject to penal and civil sanctions with regard to the offenders and the persons at fault or who are responsible, including employees, executives and directors of the Company.

In addition, the failure to comply with the anti-corruption and anti-influence trading laws and regulations as well as this Code may also be subject to disciplinary measures with regard to the employees, as indicated in the internal regulations of the Company.

ANNEXES

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→ Internal alert mechanism