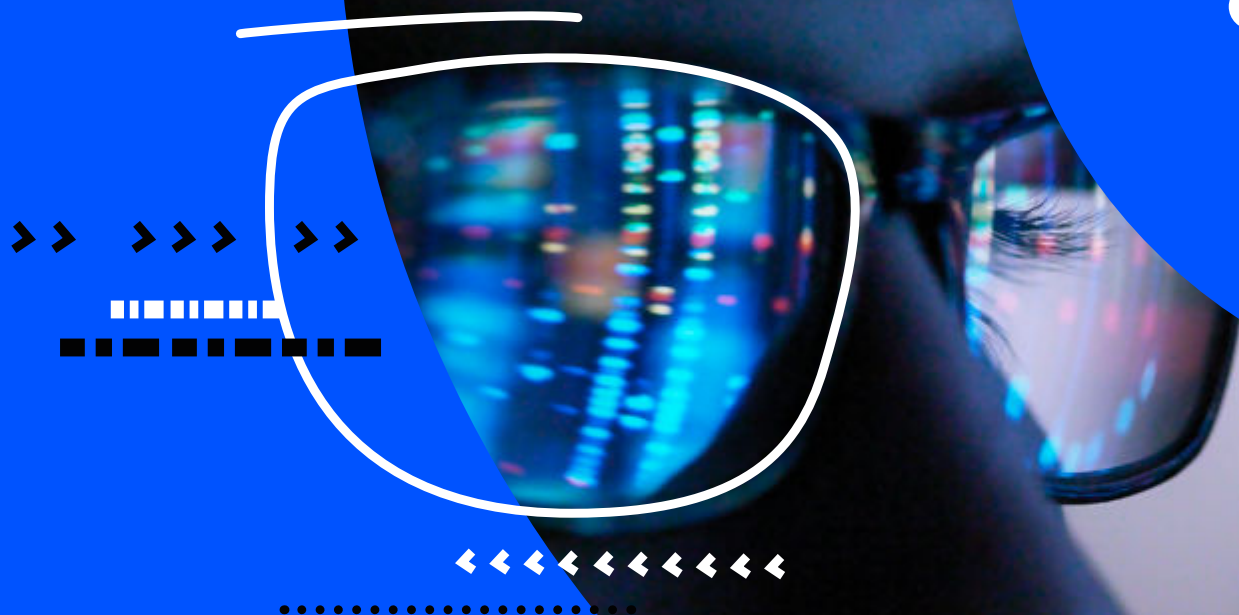


**CODE.**



# Code of conduct.

Compliance and anticorruption

# Summary

<b>Message from the Directors .....</b>	<b>3</b>
<b>1. Scope of application.....</b>	<b>4</b>
<b>2. The general rules.....</b>	<b>5</b>
2.1. The fight against fraud	
2.2. What is corruption?	
2.3. Influence peddling: definition	
<b>3. At-risk situation situations requiring alertness.....</b>	<b>8</b>
3.1. Business gifts and invitations	
3.2. Conflict of interest	
3.3. Facilitation payments	
3.4. Patronage, sponsorship, and donations activities	
3.5. Integrity in our business relationships	
3.6. Prevention of corruption through accounting control procedures	
<b>4. Whistleblowing procedure.....</b>	<b>12</b>
<b>5. Disciplinary sanctions .....</b>	<b>13</b>
<b>6. Code of conduct implementation .....</b>	<b>14</b>
<b>Appendix 1.....</b>	<b>15</b>
The recommended responses to circumstances involving anticorruption alertness	

# Message from the Directors

Our values of commitment, trust, efficiency, innovation and ambition guide our daily behaviour. We conduct our business activities in accordance with ethical principles and loyalty through these core values and beliefs.

We have achieved very significant growth in recent years both in France and internationally so it appears of paramount importance that French companies like Hardis Group are identified as having fair and transparent operating conditions in an increasingly competitive marketplace in which the fight against corruption and fraud represents an ongoing challenge.

It is also an essential element for us to promote and protect our reputation and our company's public image, both here in France and abroad.

Furthermore, the law of December 9, 2016 on the transparency regarding the fight against corruption and the modernization of economic life (the "Sapin II law") prescribed the fight against corruption and fraud as mandatory to such extent that failure to comply with the set of anti-fraud and anti-corruption rules in force would expose the company to significant legal and financial consequences.

This Code of conduct sets out and reminds of the duties and good practices flowing from the fight against corruption and fraud and will be transmitted to all of the company's staff members.

Each line manager should be exemplary in that regard and each collaborator must ensure that the associated rules and recommendations are respected. Many of the good practices contained therein are merely common sense and personal self-responsibility.

Everyone shall acknowledge the Code of conduct and refer to his/her line manager and /or the Legal Department of the company any questions or doubts about the expected implementation of the rules.



**Yvan Coutaz**  
Managing Director



**Nicolas Odet**  
President

# 01

## Scope of application

The fight against corruption is a major issue within our economic system.

Indeed, the only practice of corruption jeopardises the establishment of a conducive business environment and is likely to seriously impact the company's public image and distorting the competition.

The Code of conduct on fight against corruption sets out our commitments and principles and is intended to be a tool dedicated to employees of Hardis Group and its subsidiaries, whatever their function are, by reiterating the rules and behaviours to adopt in the event of major risk situations.

It stands as the reference document addressed to all the employees within the company in France and abroad, for all issues relating to anti-corruption matters (in compliance with local laws).

We also expect our business partners and suppliers to adhere our values and follow the rules stated in this Code.

By its nature, this Code cannot cover all situations likely to occur and requires caution by using good common sense and adopting a behaviour compliant with the laws and regulations in force.

In case of doubt, or difficulty of interpretation of this Code, it is recommended the collaborators contact their line manager and / or the Legal Department.

**The Code of conduct takes effect on July 16, 2019 and may be revised from time to time.**

# 02

## The general rules

### 2.1. The fight against fraud

**Definition:** fraud is a dishonest act done with the intention of deceiving and contravening laws and regulations. The characterization of a fraud requires an intentional act made to obtain a material or immaterial advantage at the expense of a person or an organization.

There are different types of fraud to take into account:

- **Internal fraud:** act initiated (actively or passively) by a collaborator such as theft, establishment of false invoices, destruction of property belonging to the company, presentation of false note or invoices, or receipts for purchases in breach with the company policy, misappropriation of corporate assets, etc.
- **External fraud:** act initiated by a third party to the company and to its detriment, such as fake president fraud, fraud by means of payment (change of bank statement), cybercrime, theft, etc.

These offenses are punishable by penalties (fines and/or prison sentences) and will also be subject to disciplinary sanctions.

Overall, these actions have a serious impact on the company (costs, impact on the public image...) and it is essential to examine the procedures by knowing our rights and duties in this matter.

One is bound to recognise the acts of fraud, corruption and, more generally, corrupt acts seem to find propitious grounds in the world of business.

**In case of doubt, it is the responsibility of the collaborator involved to refer to his line manager or the Legal Department.**

### 2.2. What is corruption?

Corruption is a criminally reprehensible behaviour under articles 433-1 and 433-2 of the French Criminal Code. It includes different type of behaviours such as receiving offers, quotes, promises, donations, gifts offered for the purpose of obtaining favours or special benefits or abstaining from a particular act.

Bribes, preferential treatments, rebates or discounts, illegally transmitting data in all their forms, are strictly prohibited.



French law differentiates the circumstances of the offense as follows:

- **Active corruption:** offender's act of offering or suggesting offering something in exchange of an undue advantage.
- **Passive corruption:** soliciting or accepting to receive things in exchange of an action resulting in an undue advantage for the briber.

Corruption of a public official is punished more severely and can go as far as 10 years of imprisonment and a fine going up to €1 million.

## Did you know?

A corruption pact is established between the briber and the corrupt, the mere existence of the meeting of wills and a causal link between the things offered and the expected acts or abstentions are sufficient to characterize the offense.

## 2.3. Influence peddling: definition

Influence peddling is directly related to the corrupt practices and is punished by the French penal code. It consists in remunerating the improper exercise of influence that the agent owns or claims to possess over a third party, with a view to obtaining a favourable decision.

This offense would involve at least three parts: the beneficiary of the decision, the intermediary (the person who will use his influence), and the person who has the decision-making power (over which the influence will be exercised).

The author of the influence peddling will use his influence (real or supposed) with an individual who has the power to act or abstain depending on the benefit sought by the offender.

The bribery may exist with the active influence peddling (targeting the person who will solicit the intermediary) and the passive trading in influence (referring to the person solicited, the intermediary).

Again, it must be noted the offense is more severely punished when performed by a person exercising a public function.

## In a nutshell

- Corruption in all its forms is prohibited.
- Under the law, the only pact of bribery or trading in influence is sufficient to characterize the offense.
- Offenses committed by public officials are more heavily sanctioned.
- Complicity is liable in the same way as the offender.
- Also one shall bear in mind the undue advantage may appear in other form than a payment of a sum of money like in the following cases: favorable decision obtained outside a normal process, delivery of an object, gesture or service in favour of a person.
- The offense can be legally characterized as soon as one acts through a third party provided passive and active offenses are deemed autonomous. Having said that, they can be judged separately from each other.
- These offenses are punishable by 5 years of imprisonment and a fine of €500,000 whenever the circumstances involve a public official.





## 2.4 Compliance with competition law principles

The aim of competition law is to maintain free and fair competition. Any practices such as abuse of a dominant position or agreements that contravene these principles are contrary to the law.

An anti-competitive agreement is defined as an agreement or concerted action whose purpose or effect is or may be to prevent, restrict or distort competition in a given product or service market.

In particular, the following are prohibited:

- agreements or concerted practices aimed at limiting market access or the free exercise of competition by other companies;
- agreements or practices which tend to hinder the free determination of prices by artificially favoring their rise or fall (the «classic» case of price-fixing cartels);
- agreements or practices which tend to limit or control production, outlets, investment or technical progress, etc.

Abuse of a dominant position is understood to mean the adoption by an undertaking present on a market, or by a group of undertakings, of conduct designed to eliminate, constrain or dissuade any competitor from entering or remaining on that market or a related market, thereby distorting competition.

In general, therefore, it is forbidden to enter in contact with a competitor in a way as to give the impression of an inappropriate form of agreement, or to enter in arrangements with a competitor relating to pricing policy, allocation of customers, suppliers or contracts.



# 03

## At-risk situations requiring alertness

### 3.1. Business gifts and invitations

Gifts or invitations (meals, travel business, entertainment, etc.) are current in the business world, this can appear in a variety of forms such as the delivery of an object (pens, books, goodies) or an invitation (restaurant, travel, show ...). Although it might show a kind of gesture of courtesy that is supposed to improve the business relationship, however it is likely to give the impression of being offered for the purpose of improperly influencing the business and can be assimilated to corruption.

In addition, **presents offered to a public official must be subject to prior approval by Hardis Group's management**, and will be strictly prohibited if the agent prepares to render a decision concerning the latter.

#### We must therefore be vigilant and ask the right questions

- Is this gift intended to influence a business decision?
- Does this gift involve a person from the public service?
- Is this gift of reasonable value?
- Is this gift related to the activity?
- Is this present disinterested? (Is something expected from me in return?)
- Would I feel comfortable talking about this gift in public?
- Is the frequency with which I receive these gifts reasonable?
- Is this gift being given to a member of my family?







### What to do in case of inappropriate solicitation?

The collaborator involved must refuse and point out that accepting it would be contrary to the company ethical rules.

### Can I offer a gift to a person with public authority?

Unless it is made with the approval of Hardis Group's management, it shall be strictly prohibited.

### What if you have doubts about whether an action or situation may be improper?

The collaborator should turn to the line management and inform them immediately at the reception of any present with all documents or evidence regarding its gaining.

## 3.2. Conflict of interest

A conflict of interest might occur when the interests of the company and those of its collaborators enter into competition.

A collaborator's personal interest can be either financial or moral.

The existence of a conflict of interest may then question the impartiality and neutrality of the collaborator involved in the execution of his professional tasks.

The conflict of private interests is not sanctioned as such unlike in the public administration.

However, it may represent a risk to the company, particularly in terms of prevention of corruption in the event there is any influence or offense of favouritism.

#### What if I find myself in a conflict of interest?

In such a case, being actual or potential, you are encouraged to be the most transparent possible concerning the situation and inform your line manager as well as the Human Resources and Legal Departments.

### Typical examples of conflict of interest situations

- Exercise an activity or hold an interest in a third party (customer, supplier, provider) with whom the company has a contractual relationship ;
- Participate or organize a project or activity that would compete with the company's activities ;
- Conclude a business relationship with a relative or friend.



### 3.3. Facilitation payments

The facilitation payment refers to compensating directly or indirectly a public official for setting up administrative formalities usually obtained by having recourse to normal legal channels. Such facilitation payment usually impels public officials to perform their functions more effectively as expeditiously as possible.

This practice goes against competitiveness of the company as well as its reputation, and its values. Employees of Hardis Group and its subsidiaries must not make this kind of payment (e.g. payment aiming to speed up the granting of a visa, customs clearance, etc.).

The facilitation payment will only be authorized when a payment is required under duress or compromises the safety of a collaborator.

#### What if a facilitation payment is asked?

The collaborator must courteously refuse and explain doing otherwise would violate its ethical obligations. He shall also inform his line manager or use the internal alert procedure.



#### Did you know?

This type of payment is a criminal offence and the person committing it would therefore be liable to criminal prosecution for bribery whether it is bribery of foreign or French public officers.



### 3.4. Patronage, sponsorship, and donations activities

Sponsorship and charitable activities are allowed if they are validated by the company's policy and exercised consistently with the legislation in force. The purpose of the operation should be relevant to the communication put in place by the company and these operations must respect the principle of neutrality.

- Sponsorship is a material support received without consideration or expectation of payment from the beneficiary, either an organization or a person acting in the public interest. It differs from the "sponsoring" activity for which the material support is provided to a person or an organization to obtain a direct benefit.

- In general, contrary to sponsorship, sponsoring consists in promoting the image of the sponsor whereas the sponsorship is assimilated to an economic activity of the company.
- A donation may be made in the form of a sum of money or the provision of a property free of any cost for the benefit of a charity or humanitarian organization.



## The questions to ask yourself concerning an operation of sponsorship or donation

- Does this practice seem allowed in the country involved?
- Does this practice seem allowed by the company?
- Have I received the approval of my hierarchy to undertake this action?
- Am I about to enter into a business relationship with the beneficiary of the “operation” or is the business relationship already established?
- Is this practice intended to give me an advantage or is it aimed to influence a decision?
- Am I well informed about the quality and purposes of the recipient organization?

All risky activities should be listed and formalized to ensure transparency and follow up.

### **In principle, the company does not allow political contributions and payment of benefits in form of donations to political parties, elected officials or political candidates.**

However, if these contributions are strictly exercised in the private life of the collaborators and remain unequivocally unrelated to the company, the circumstances will be deemed outside the scope of this Code and the company will have no involvement nor objection.

In case of doubt or difficulties of interpretation regarding such practices, it is recommended to turn to your line manager and/or the Legal Department who will be your privileged interlocutors.

### **3.5. Integrity in our business relationships**

Hardis Group and its subsidiaries are committed to preventing and identifying the risks of corruption in its business relationships, with private or public partners.

The introduction of third-party evaluation procedures will allow the company to identify and keep risks of potential corruption practices up-to-date, third parties can be the suppliers, the customers, or providers.

An assessment is made at the beginning of the business relationship based on the documents collected from the business

partner, the process is also undertaken throughout the business relationship (merger acquisition, change in the company statutes ...).

Some third parties may present a higher level of risk depending on their activities or their country of establishment. In such cases, the company will monitor the business relationship closely by introducing specific clauses in the relevant contracts and make sure to preserve at all times its rights to terminate the business relationship as required by the circumstances at hand.

### **3.6. Prevention of corruption through accounting control procedures**

The accounting record must be faithful to the actual transactions recorded by the company, their proper keeping is a guarantee of an effective and preventive approach against corruption as well as a tool for detecting it.

The purpose of accounting control procedures is to identify risky behaviors and make sure to maintain the regularity, the actuality and the reliability of the accounting and financial operations of the company.

The employees responsible for these operations must be careful in this respect and fully cooperate with the agents in charge of internal as external audits authorized by Hardis Group.



# 04

## Whistleblowing procedure

Each collaborator learning of a breach to this Code or to a provision of a law or a regulation must inform immediately his line manager or the Legal Department by contacting the following e-mail address: **alertline@hardis-group.com**.

**The collaborator concerned must make his declaration in a confidential way, in good faith, on the basis of the actual facts that may have come to its personal knowledge.**

The collaborator author of the alert will be guaranteed to be protected by a strict confidentiality of his identity and of the facts reported, he will be protected against all forms of reprisals that may result from his report.

Nevertheless, any abusive whistleblowing or declaration made in bad faith will incur appropriate sanctions. With regard to the General Data Protection Regulation, any person identified under the whistleblowing procedure scheme (whistleblower or person identified by the alert) may exercise their right to rectification or deletion of these data as legally allowed (inaccuracy, incompleteness).

# 05

## Disciplinary sanctions

**Failure to comply with these rules exposes the company to various risks, including financial, criminal, and also seriously damages the company's reputation and values.**

Violation of the rules stated in this Code, regardless of the hierarchic level of its author, will be susceptible to incur his personal liability and lead to sanctions proportionate to the fault.

It goes without saying that no collaborator would be penalized or sued by the company for refusing to pay or receive a bribe nor for denouncing a misconduct through a declaration made in good faith.

The company will respect the appropriate procedure to enable the collaborator involved to assure his defence.

The penalties applied will be those set out in the Chapter 3 "Disciplinary sanctions" of Hardis Group's internal rules.

Moreover, in case of violation of laws or regulations in force, the collaborator could be brought to court under civil and criminal charges by the competent authorities.

The main sanctions provided by the law include a prison sentence up to 5 years and a fine of €500,000 (the amount may be increased to double the proceeds of the offence). These penalties may be accompanied by additional sanctions such as confiscation of property or disqualification from practising certain functions.

**For these reasons, it is the responsibility of everyone to consider these provisions, comply with them and implement preventive and corrective measures as required under this Code.**





# 06

## Code Of Conduct Implementation

Compliance with this Code is **a responsibility of each collaborator** regardless of their hierarchical level.

The line manager must ensure that any questions or concerns of subordinates are answered and will convey the Code's rules in a broad way.

The principles and obligations set out in this Code are mandatory, no tolerance will be allowed in case of non-compliance to the rules.

Based on a dedicated process, the Code will be presented to the new collaborators of Hardis Group when entering on their duties and it will remain available on the company website.

In case of questions or doubts about the application or the interpretation of this Code, every collaborator is encouraged to request information to his line manager and / or the Legal Department, who will advise accordingly.



# Appendix 1

## The recommended responses to circumstances involving anticorruption alertness

Respecting this code is everyone's responsibility, so we must question ourselves, remain vigilant and alert if necessary:

### Vigilance

- Will I get any undue benefit out of this situation?
- Does this situation pit my private interests against the interests of the company?
- Is the information I am about to disclose publicly known?
- Can my personal integrity be called into question in this situation?
- Do I have any doubts about how to deal with the present situation?
- Is this gift or invitation reasonable?
- Is this situation susceptible to appear to restrict or distort the competition?
- Does the situation involve a public official?
- If this situation were made public, would I feel comfortable?



### Alert

- **What?** An infringement of the rules of this Code or of the laws and regulations in force.
- **When?** As soon as I am personally aware of it?
- **To whom?** Confidentially to my line manager or to the Legal Department.
- **How?** By any means available or at the following e-mail address: [alertline@hardis-group.com](mailto:alertline@hardis-group.com)

