CROMOLOGY ANTI-CORRUPTION POLICY

GIFTS, MEALS, ENTERTAINMENT, TRAVEL AND OTHER ADVANTAGES, POLITICAL CONTRIBUTIONS, CHARITABLE DONATIONS, FACILITATION PAYMENTS, SOLICITATION AND EXTORTION

April 2017
SUMMARY

1. GENERAL .................................................................................................................................................. 3

2. WHAT IS BRIBERY? ..................................................................................................................................... 5

3. GOVERNMENT OFFICIALS .......................................................................................................................... 6

4. WHEN MAY CROMOLOGY, ITS MANAGEMENT AND EMPLOYEES BE RESPONSIBLE FOR BRIBERY? ................................................................................................................................. 6

5. GIFTS, MEALS AND ENTERTAINMENT ..................................................................................................... 7

6. TRAVEL ....................................................................................................................................................... 10

7. OTHER ADVANTAGES ................................................................................................................................... 12

8. POLITICAL CONTRIBUTIONS ...................................................................................................................... 13

9. CHARITABLE DONATIONS AND CORPORATE SPONSORSHIP ............................................................. 13

10. FACILITATION PAYMENTS, SOLICITATION AND EXTORSION .......................................................... 14

11. THIRD PARTY REPRESENTATIVES ......................................................................................................... 14

12. AVOIDING AND DEALING WITH CONFLICTS AND INTERESTS .......................................................... 17
1. GENERAL

CROMOLOGY group, including CROMOLOGY SAS and its direct and indirect subsidiaries is committed to conducting business fairly and honorably, with integrity and honesty, and in compliance with all applicable laws. CROMOLOGY adopts a zero tolerance policy to corruption in all of its business activities across the group.

CROMOLOGY has adopted the Business Conduct Guidelines, which reject any type of corruption. Therefore, any involvement with bribes and corrupt acts is strictly prohibited.

This policy has been approved by the CROMOLOGY Extended Group Executive Committee. Any questions regarding this policy or anti-bribery and anti-corruption laws should be directed to the Legal Department or the country Finance Director who will ask for the assistance of the Legal Department whenever necessary or useful.

1.1. Purpose of this policy

This policy aims to implement CROMOLOGY Anti-Corruption Guideline (as summarized in the Business Conduct Guidelines) in respect of gifts, meals, entertainment, travel and other advantages offered by or to CROMOLOGY employees as well as political contributions, charitable donations, facilitation payments, solicitation and extortion.

This policy also sets out the rules for retaining and managing agents, consultants, intermediaries, business partners, and any other CROMOLOGY representatives.

The purpose of this policy is to prevent bribery as a corrupt practice. It does not change or replace any other CROMOLOGY policies regulating approval and reimbursement of business travel and expenses. Any prior approval requirements, any restrictions on travel and lodgings expenses and any other requirements or restrictions applicable to CROMOLOGY employees must be independently complied with.

1.2. Scope

This policy applies to all CROMOLOGY officers, directors and employees, and to any other person assimilated to CROMOLOGY staff, when carrying out professional activities on behalf of CROMOLOGY. This policy also applies to any third-party representative when acting on behalf of CROMOLOGY, except that the third-party representative will submit all approval requests and records required by this policy to the CROMOLOGY employee who manages the relationship with such third-party representative. The term “employee”, as used in this policy, includes all above persons.

1.3. Legal framework

As a subsidiary of a global company headquartered in France and financed by banks and financial institutions with activities in the US, CROMOLOGY is subject to applicable French law and is also subject to applicable local laws in the jurisdictions where it operates and/or has subsidiaries. Most of these countries have strengthened their anti-bribery legislation. For example the United Kingdom has strengthened its anti-bribery legislation with the Bribery Act 2010 (the “U.K. Bribery Act), which applies both in and outside of the United Kingdom.

CROMOLOGY may also be subject to the U.S. Foreign Corrupt Practices Act (the “U.S. FCPA”).

In France, on 9 December 2016, a new major statute was promulgated on transparency, the fight against corruption and the modernization of the economy, (also known as the
"Sapin 2 Law", by reference to the first Sapin Law of 1993 which improved transparency in politics and public procurements).

With this new statute inspired by the US and UK regimes, France intends to comply with the highest international standards in the areas of transparency and anti-corruption. The new statute has an extraterritorial reach as it provides French criminal courts with the ability to prosecute acts of corruption committed outside of France.

A brief summary of applicable laws is in Annex A.

Under most legislation, both public and private sector bribery is prohibited and constitutes a criminal offence, although rules for interacting with government officials are generally more severe.

This policy cannot cover every situation or provide information on every law that may be applicable where CROMOLOGY conducts business, and is not intended to be a complete statement of the anti-bribery legislation of any jurisdiction.

It is fundamentally the responsibility of everybody within CROMOLOGY to assess what is permitted or not within the scope of his/her activities, using the resources available to them within CROMOLOGY. CROMOLOGY may provide support through communication, training resources and advice.

1.4. Reporting deviations and potential deviations

Any CROMOLOGY employee who has genuine grounds to believe that:

- an employee of CROMOLOGY has departed from this policy, or an agent, representative or business partner of CROMOLOGY may have violated any anti-bribery or anti-corruption law,

Or

- an individual or entity that will conduct business on behalf of CROMOLOGY is in the process of being retained in a manner that deviates from the CROMOLOGY policy on retaining and managing Third-Party Representatives,

must immediately report these information to the Group Human Resources Director, or to the Group General Counsel, whose email addresses and phone numbers are available on the intranet site of CROMOLOGY. Under no circumstances shall the reporting of any such information or possible impropriety made in good faith serve as a basis for any retaliatory actions to be taken against any employee making the report.

1.5. Sanctions

Non-compliance with this policy may lead to sanctions that may go as far as a dismissal.

1.6. Areas covered

This policy covers:

- What is bribery?
- Government Officials (defined in Article 3)
- When can CROMOLOGY, its management and employees be responsible for a bribe?
- Avoiding and dealing with conflicts of interest
- Gifts
- Meals and entertainment
2. WHAT IS BRIBERY?

Bribery is:
- offering, promising or giving (active),
  or
- soliciting, demanding, agreeing to receive or receiving (passive)
  anything of value with a view to obtain an undue advantage in return or to induce
  improper behavior.

Certain national laws are even more restrictive, and prohibit ‘Government Officials’ from
receiving anything of value (even nominal), whatever the purpose. Therefore, specific
rules applying to the country in question should be looked at carefully.

“Anything of value” includes:
- cash, cash equivalents (e.g., gift vouchers) or loans;
- payments for travel, accommodations or entertainment;
- favors, including offers of employment or internships;
- gifts (e.g., perfume, jewelry, use of club memberships, a cruise and other advantages);
- donations to a charity;
- offering enhanced or beneficial terms for CROMOLOGY products or services;
- political contributions; or
- facilitation payments.

Corruption attempts or bribery through a third party (e.g. a commercial agent)
are liable for penal sanctions as well.
Corruption is prohibited both in the public and private sectors.
Examples of bribery of Government Officials include offering anything of value to
induce the Government Official to:
- overlook a violation or tolerate non-compliance with applicable laws;
- not perform a task that should otherwise be performed (e.g., does not conduct a required
  inspection prior to issuing a permit);
- reduce customs duties;
- unfairly favor one applicant for a license over another;
- improperly make a favorable legislative or judicial decision;
Or
- grant favorable tax treatment.

Examples of private sector bribery include:
- paying money or giving anything of value to a purchasing agent in order to cause that
  agent to choose to buy CRÓMOLOGY products rather than those of a competitor;
- providing anything of value to an executive or officer of a business partner in order to cause that partner to conduct business with CROMOLOGY;

- promising the use of a holiday villa to the family of an employee of another company with the intention that this induces the employee to award a contract to CROMOLOGY which would otherwise go to a competitor.

3. GOVERNMENT OFFICIALS

“Government Officials” means, generally, any officer, employee, representative or other person acting for any government, public international organization or government (including any local government) owned or controlled enterprise, including any department, agency or instrumentality (excluding any employee, officer or director of CROMOLOGY in that capacity).

“Government Officials” is interpreted very broadly and include:

- officials/employees/representatives of any local, provincial, state or national government or government agency (for example, members of Parliament, police officers, firefighters, members of the military, tax authorities, customs inspectors, official advisor of a government, etc.);
- officials/employees/representatives of the judiciary or of a regulatory authority;
- officials/employees/representatives of state universities, schools and public hospitals;
- officials/employees/representatives including officers, directors and agents of any government-owned or controlled enterprise (business or company);
- officials/employees/representatives of a public international organization (for example, the European Union and any organization created in accordance with the EU treaties, the United Nations, International Olympic Committee, International Red Cross, etc.);
- officials/employees/representatives of a political party;
- candidates for political office;
- royal family members; and
- any close relatives (for example, parent, sibling, spouse or child) of any of the above.

4. WHEN MAY CROMOLOGY, ITS MANAGEMENT AND EMPLOYEES BE RESPONSIBLE FOR BRIBERY?

CROMOLOGY, its management and employees may be responsible for acts of bribery if committed by one or a combination of the following:

(i) any CROMOLOGY employee;

(ii) any person acting on behalf of CROMOLOGY, including agents, consultants and representatives;

(iii) and in some cases, third parties acting on their own behalf if their acts of bribery can benefit CROMOLOGY directly or indirectly, for example business partners, distributors, and prime contractors.
5. GIFTS, MEALS AND ENTERTAINMENT

5.1. Principles

Employees cannot offer gifts, meals or entertainment to third parties, or accept gifts, meals or entertainment from third parties, other than as permitted by this policy.

This policy describes when gift, meals or entertainment can be offered or accepted without specific prior approval, when they can only be offered or accepted with prior specific approval and when they cannot be offered or accepted at all.

Gifts, meals or entertainment can never be offered to or accepted from any person if:

(i) illegal under applicable law;
(ii) not allowed under the applicable policy or code of conduct of the offering or receiving’s organization;
(iii) offered with the intention to obtain or retain business in return or to otherwise obtain any specific business advantage in return;
(iv) the gift, meal or entertainment might be perceived as affecting or intending to affect the outcome of a business transaction;
(v) the value of the gift (or package of gifts), meal or entertainment is not reasonable or proportionate; or
(vi) it consists in cash or is transferable into cash.

Employees cannot solicit gifts, meals or entertainment from a third party.

5.2. Gifts

Gifts can only be offered or accepted openly, as a courtesy or as a sign of regard, where the nature of the gift is appropriate to the relationship and conforms with general business practice and local customs.

5.2.1. Offering gifts without specific prior approval

Employees can offer a gift without specific approval under this policy if the gift is offered in accordance with the principles set out in sections 5.1 and below:

- the gift is a “CROMOLOGY” or “CROMOLOGY” branded product of low value (e.g. pens, notepads);

OR

- the value of the individual gift (or gifts package) does not exceed the amount listed in Annex B for the country in which it is offered;

- the intended recipient has not received more than two (2) gifts in the last 12 months from CROMOLOGY, to the employee’s knowledge;

- the gift is branded “CROMOLOGY” or is otherwise of a type that is customary for business gifts in the country in which it is offered; and
- the gift is offered on an occasion on which it is customary to offer gifts, in accordance with local business practice in the country in which the gift is offered, and CROMOLOGY is not in the process of answering an RFP from nor negotiating a contract with, the company of which the intended recipient is a representative.

5.2.2. Accepting gifts without specific prior approval

Employees can accept a gift without specific approval under this policy if the gift is in accordance with the principles set out in sections 5.1 and below:

- the gift is a branded product of low value (e.g. pens, notepads);

OR

- the value of the individual gift (or gifts package) does not exceed the amount listed in Annex B for the country in which it is received;

- the employee to whom the gift is offered has not received more than four (4) gifts from the same donor company in the last 12 months;

- the gift is of a type that is customary for business gifts in the country in which it is offered; and

- the gift is offered on an occasion on which it is customary to offer gifts, in accordance with local business practice in the country in which the gift is offered and the entity of which the person offering the gift is a representative is not in the process of answering an RFP from nor negotiating a contract with, CROMOLOGY.

5.3. Meals

Meals can be offered or accepted as part of a business meeting, for the promotion of CROMOLOGY products and services generally or the discussion of a specific project, opportunity or contract.

This section applies when the guest is invited to a restaurant with no travel involved (other than normal car drive or public transportation). If the meal is part of a larger entertainment event, section 5.4 “Entertainment” will apply; and if it is part of an organized travel, section 6 “Travel” will apply.

5.3.1. Offering meals without specific prior approval

Employees can offer a meal to a third party without specific approval under this policy if the meal is offered in accordance with the principles set out in section 6.1 and below:

- the price of the meal per guest does not exceed the amount listed in Annex B for the country in which it is offered; and

- the guest(s) has/have not been invited more than four (4) times in the past 12 months on behalf of CROMOLOGY, to the employee’s knowledge; and

- CROMOLOGY is not in the process of answering an RFP from nor negotiating a contract with, the company of which the guest(s) is/are representative(s).
5.3.2. Accepting meals without specific prior approval

An employee can accept a meal without specific approval under this policy if:

- the price of the meal does not exceed the amount listed in Annex B for the country in which it is offered,

- the entity of which the person offering the meal is a representative is not in the process of answering an RFP from nor negotiating a contract with, CROMOLOGY, and

- the employee to whom the meal is offered has not been invited more than four times in the last twelve months by the same host company.

5.4. Entertainment

This section applies to entertainment outings such as sports events, theatre, museum visits or city tours. It does not apply to meals (see section 6.3 above) unless such meal(s) is/are part of the entertainment. If the entertainment is part of a trip, section “Travel” will apply.

5.4.1. Offering entertainment without specific prior approval

Employees can offer entertainment to a third party without specific approval under this Policy if the entertainment is offered in accordance with the principles set out in section 5.1 and:

- the price of the entertainment per guest does not exceed the amount listed in Annex B for the country in which it is offered;

- the guest(s) has/have not been invited more than two times in the past 12 months on behalf of CROMOLOGY, to the employee’s knowledge;

- the entertainment is of a type that is customary for business entertainment in the country in which it is offered; and

- CROMOLOGY is not in the process of answering an RFP from nor negotiating a contract with, the company of which the guest(s) is/are representative(s).

5.4.2. Accepting entertainment without specific prior approval

An employee can accept entertainment without specific approval under this policy if:

- the price of the entertainment for the employee, in the employee’s reasonable estimation, does not exceed the amount listed in Annex B for the country in which the entertainment is offered;

- the employee to whom the entertainment is offered has not been invited more than four times in the past 12 months by the same host company;

- the entertainment is of a type that is customary for business entertainment in the country in which it is offered; and

- the entity of which the person offering the entertainment is a representative is not in the process of answering an RFP from nor negotiating a contract with, CROMOLOGY.
5.5. Specific approval process, Recording

5.5.1. Specific approval process

If an employee wishes to:
- offer or accept a gift
- offer or accept a meal
- offer or accept entertainment

But the gift, meal or entertainment does not meet all of the criteria listed above, the employee must request the written approval of its manager, who may, if necessary seek the advice of the Legal Department.

Annex C gives an example of an approval request form. The request for approval and the approval may take any form, provided it is in writing (emails are acceptable).

If an employee must decline a gift, he may use the example given in Annex D.

5.5.2. Recording

Each employee who offers a gift, meal or entertainment must record the expense in the then current expense reimbursement tool and submit the required documentation (receipt, etc) according to the expense reimbursement policy of its company.

In addition, if the gift, meal or entertainment requires specific approval, the employee must keep record of the obtained written approval and of the name of the recipient, the entity of which the recipient(s) is/are a representative and the recipient(s)’ position(s).

6. TRAVEL

This section applies to travel that exceeds normal taxi fares or a short car trip to attend a dinner or entertainment, and where CROMOLOGY pays for the travel fare and/or the accommodation of a third party, or where a third party pays for the travel fare and/or the accommodation of a CROMOLOGY employee. As used in this section, “accommodation” includes both lodging and meals.

6.1. Principles

Employees cannot offer travel and/or accommodation to third parties, nor accept travel and/or accommodation from third parties, other than as permitted by this policy.

Offering or accepting travel and/or accommodation is always subject to specific approval under this policy.

CROMOLOGY can, subject to the other provisions of this section 6, pay for reasonable and bona fide travel/accommodation expenses of third party representatives for legitimate business purposes, such as: (i) if they are invited to a CROMOLOGY global event, (ii) if they are visiting a CROMOLOGY group company’s office or lab for the purpose of discussing a particular business project, opportunity or contract (including job interviews), or (iii) generally for the purpose of demonstrating, promoting or explaining CROMOLOGY products or services.
CROMOLOGY employees can, subject to the other provisions of this section 6, accept payment of their reasonable and bona fide travel/accommodation expenses by third party representatives if the purpose of the trip is a business event, to which the employee is invited as CROMOLOGY representative.

Travel/accommodation expenses paid for or by a third party, must comply at a minimum with the travel policy of the entity of which the third party is a representative. In the absence of such a policy, travel/accommodations expenses paid for or by a third party must comply with CROMOLOGY travel policy.

It is best practice for CROMOLOGY to pay directly for the travel and accommodation expenses. If this is not possible, expenses for the guests must be reimbursed directly to the legal entity of which the guest is a representative, not to the individual. Expenses can only be reimbursed following receipt of the proper documentation of the expenses incurred. If a guest for whom a ticket has been paid for by CROMOLOGY cancels his/her participation, it is the responsibility of the person organizing the trip to ensure that the refunded portion of the cost, if any, is received by CROMOLOGY.

Travel and/or accommodation can never be offered or received if:

(i) illegal under applicable law;
(ii) not allowed under the applicable policy or code of conduct of the offering or receiving’s organization;
(iii) it is offered with the intention to obtain or retain business in return or to otherwise obtain any specific business advantage in return;
(iv) the travel and/or accommodation might be perceived as affecting or intending to affect the outcome of a business transaction;
(v) the value of the travel and/or accommodation is not reasonable or proportionate; or
(vi) it includes cash allowance or cash advance.

CROMOLOGY will in no circumstances pay for, and CROMOLOGY employees may in no circumstances accept:

- any side trips that may be made on the occasion of the approved travel and that are unrelated to the business purpose of the travel, or
- any travel and/or accommodation expenses for any friends or family, or for any person other than the person or persons required for the business purpose of the travel.

6.2. Specific approval process for offering or accepting travel / accommodation

Any employee who wishes to offer or accept travel and/or accommodation must request the written approval of its manager, who may, if necessary seek the advice of the Legal Department.

6.3. Recording offered / accepted travel and / or accommodation

6.3.1. Offered travel and / or accommodation recording

Each employee who offers a travel paid for by CROMOLOGY must send to the relevant finance department a record of the travel offered, listing:
- the actual cost of the travel; and
- when applicable the relevant written approval.

Each employee who pays for travel and/or accommodation on behalf of CROMOLOGY must submit for each travel and/or accommodation paid, in accordance with the then current expense reimbursement policy, the following documentation:

- the receipt for the travel and/or accommodation; and
- when applicable the relevant written approval.

6.3.2. Accepted travel and / or accommodation recording

Each employee should keep records of all travel and/or accommodation he/she was offered.

7. OTHER ADVANTAGES

This section applies to any advantage or benefit other than gifts, meals, entertainment and travel, which may be offered by CROMOLOGY to a third party, or by a third party to an CROMOLOGY employee (“Other Advantages”). Other Advantages include trainings or offers of employment, offers to purchase products or services from associated companies, offering enhanced or beneficial terms for CROMOLOGY products or services, etc.

7.1. Principles

Employees cannot offer Other Advantages to third parties, nor accept Other Advantages from third parties, other than as permitted by this policy.

Offering or accepting Other Advantages is always subject to specific approval under this policy.

Other Advantages can never be offered or received if:

(i) illegal under applicable law;
(ii) not allowed under the applicable policy or code of conduct of the offering or receiving’s organization;
(iii) it is offered with the intention to obtain or retain business in return or to otherwise obtain any specific business advantage in return;
(iv) it might be perceived as affecting or intending to affect the outcome of a business transaction; or
(v) it is not reasonable or proportionate.

7.2. Specific approval process for offering or accepting Other Advantages

Any employee who wishes to offer Other Advantages must request the written approval of its manager, who may, if necessary seek the advice of the Legal Department.
7.3. Recording offered / accepted Other Advantages

7.3.1. Offered Other Advantages recording

Each employee who offers Other Advantages paid for by CROMOLOGY must send to the relevant finance department a record of the Other Advantages offered, listing:

- the actual cost of the Other Advantages; and
- when applicable the relevant written approval.

7.3.2. Accepted Other Advantages recording

Each employee should keep records of all Other Advantages he/she was offered.

8. POLITICAL CONTRIBUTIONS

“Contributions” include cash and anything else of value, including any goods or services.

As a rule, CROMOLOGY generally prohibits contributions to political parties or related organizations on behalf of CROMOLOGY or otherwise through the use of corporate funds.

No CROMOLOGY employee may, directly or indirectly, make or approve any political contribution on behalf of CROMOLOGY or for any purpose related to CROMOLOGY business, without the prior written approval of the CROMOLOGY CEO after consultation with the CROMOLOGY General Counsel and Chief Financial Officer.

Record must kept of all political contributions requests, approvals/refusals.

This prohibition does not limit any CROMOLOGY employee from exercising their right to contribute as individuals, but CROMOLOGY will not reimburse any such donations.

9. CHARITABLE DONATIONS AND CORPORATE SPONSORSHIP

Charitable contributions and sponsorships (referred to as “Gifts”) are donations and other financial contributions that are motivated by a bona fide charitable purpose, in order to demonstrate social or civic responsibility and to support the communities in which CROMOLOGY operates.

CROMOLOGY may only offer and make Gifts if they are (i) entirely unrelated to any business transaction and not made with the intention of obtaining or retaining business in return, (ii) made in a fully transparent manner, (iii) permitted by laws, (iv) not in contravention of any ethical codes of the recipient’s organization and (v) reasonable.

If a CROMOLOGY employee wishes to make a Gift, he or she needs to obtain the prior written approval of the CROMOLOGY CEO and CFO.

Record must kept of all Gifts requests, approvals/refusals.

The local Finance manager must accurately record the expense and purpose of each Gift in the books and records of the relevant CROMOLOGY Company.
10. FACILITATION PAYMENTS, SOLICITATION AND EXTORTION

Facilitation payments are unofficial, improper, payments made to officials to secure or expedite the performance of routine or necessary actions to which the payer is legally entitled. They are, inter alia, prohibited by French and English laws. As a global company headquartered in France which carries on business in the UK, CROMOLOGY and its subsidiaries, fall under the provisions of both the French and UK laws in this regard. In addition, in most of the jurisdictions in which CROMOLOGY operate, these payments are illegal. Hence, facilitation payments should not be made by CROMOLOGY staff or those acting on the CROMOLOGY behalf.

As an example, a business incorporated anywhere in the world which carries on a business or part of a business in the United Kingdom, could be guilty of an offence if it fails to prevent any person who performs services for it from offering or making facilitation payments anywhere in the world on behalf of and for the benefit of that business.

However, in the event that payments were to be made in response to a physical security threat or other criminal act, such payments will be likely to be considered made in order to protect against loss of life, limb or liberty and in such circumstances will not be considered as a facilitation payment.

The local Finance manager must accurately record the expense and purpose in the books and records of the relevant CROMOLOGY entity.

Solicitation, i.e. the request for a bribe, and extortion, i.e. refusal to perform a government service without receiving a bribe first, is illegal.

If faced with a case of solicitation or extortion, employees must immediately report the situation in full detail to their manager and the relevant CEO in order to implement mitigation plans.

11. THIRD-PARTY REPRESENTATIVES

11.1. Third-party representatives

Third-Party Representatives means agents, consultants, intermediaries, business partners, and any other representatives of CROMOLOGY.

Companies which are part of the CROMOLOGY Group and CROMOLOGY Group employees are not considered Third-Party Representatives and are not subject to the retention and management process set out in this policy.

The main categories of Third-Party Representatives are:

- any person (individual or entity) introducing or marketing the products of CROMOLOGY to potential customers, or introducing potential customers to CROMOLOGY, including commercial agents, marketing agents, market consultants and sales representatives, (‘Sales Agents’);

- any person (individual or entity) representing CROMOLOGY before Government Officials or before customers (other than as contemplated above), for example accountants, lawyers, tax advisers, customs agents, consultants, etc… (‘Non-Sales Agents’).
If you are in doubt as to whether any person is subject to this policy, please contact the Legal Department.

CROMOLOGY retains Third-Party Representatives for a number of legitimate reasons, such as (i) the ability to enhance revenue opportunities; (ii) the complexity of business cultures across the globe; (iii) local legal requirements; or (iv) the lack of CROMOLOGY offices in a country.

Under most legislations, in some cases, CROMOLOGY, its management and employees may be responsible for acts of bribery committed by a Third-Party Representative if the act of bribery can benefit CROMOLOGY directly or indirectly, even if CROMOLOGY did not approve expressly or otherwise the act.

CROMOLOGY therefore needs to take all necessary steps to ensure that its Third-Party Representatives comply with anti-bribery laws and share CROMOLOGY’s commitment to transparent business practices.

11.2. Selection of Third-party representatives

Employees must always comply with the following principles when retaining and managing Third-Party Representatives on behalf of CROMOLOGY:

- There must be a demonstrated legitimate need for retaining any Third-Party Representative;

- Each proposed Third-Party Representative must meet CROMOLOGY’s requirements in terms of integrity and ability to provide the services for which it will be engaged before it is retained by CROMOLOGY; and

- Third-Party Representatives must operate at all times in accordance with a) the applicable anti-bribery laws and b) the Group Business Conduct Guidelines and the CROMOLOGY Policy on Gifts, Meals, Entertainment, Travel and Other Advantages, Political Contributions, Charitable Donations, Facilitation Payments, Solicitation and Extortion, or alternatively their own policies on ethical and anti-corruption if the standards and principles of their policies are at least equivalent to those set out in the former documents.

When retaining and managing any Third-Party Representatives on behalf of CROMOLOGY, employees must comply with the following specific requirements to ensure the respect of the principles set out in section 11.2 above:

- Third-Party Representatives must be selected solely on the basis of clear criteria;

- Third-Party Representatives must be carefully selected in accordance with the process described below, which includes an appropriate amount of due diligence;

- Employees must ensure that Third-Party Representatives do not engage in any work for CROMOLOGY (including free of charge) until such time as the Third-Party Representative has been approved in accordance with the process described below;

11.3. Operating mode with Third-party representatives

No payment shall be made to a Third-Party Representative without a signed, written contract approved in accordance with the rules applicable in the CROMOLOGY entity regarding powers of signature of contracts. The contract should specifically include language that the Third-Party Representative will comply with applicable anti-bribery laws and the Group Business Conduct Guidelines and the CROMOLOGY Policy on Gifts, Meals, Entertainment, Travel and Other Advantages, Political Contributions, Charitable Donations,
Facilitation Payments, Solicitation and Extortion. The signatory must send a copy of the Third-Party Representative’s contract to the local Finance department, which shall ensure that any payment made to the Third-Party Representative is made in accordance with the terms of such contract.

The level of the Third-Party Representative’s remuneration must be commensurate with the services effectively performed, comparable to other remuneration paid by CROMOLOGY to similar Third-Party Representatives for similar work and justified by objective criteria, such as prevailing market rates, past performance, reputation, expertise, complexity of the work, resources and experience necessary to perform the contract, risks borne by the Third-Party Representative and/or proportionality to the value of the overall project.

Payments to Third-Party Representatives should be conditioned by specific events or the completion of defined tasks (milestones). Advance payments should be avoided to the maximum extent possible.

Payments to Third-Party Representatives must not be made in cash, via another third party, or to bank accounts that are not in the Third-Party Representative’s name. All legal requirements applicable to payments must be complied with, including, where applicable, obtaining currency control and other governmental approvals.

Payments to a Third-Party Representative can be made only following receipt of a valid invoice and substantive documentary evidence of the services rendered.

The local Finance department shall ensure that full and complete records are maintained on all payments to Third-Party Representatives and that such payments are adequately recorded in the books and records of the relevant CROMOLOGY Company.

**11. 4. High risk situations requiring increased scrutiny**

Certain situations present higher risks of corruption or other fraudulent behaviour and will require an increased level of investigation ("High Risk Situations"). For example:

- a history of corruption in the country, area or industry;

- Third-Party Representatives owned by, controlled by or employing Government Officials or otherwise recommended by Government Officials;

- Third-Party Representatives owned or controlled by a director, officer or employee of CROMOLOGY or their close family members;

- Third-Party Representatives owned or controlled by former CROMOLOGY employees or their close family members;

- Third-Party Representatives which are corporate vehicles for an individual (rather than companies with an established track record);

- Third-Party Representatives which are specifically required by the customer, unless supported by technical requirements; or

- any of the red flags listed below:
  
  i. an apparent lack of qualifications or resources in a consultant retained to obtain a Government Official approval;

  ii. a refusal to provide relevant background information and due diligence about the parties to any particular transaction;
iii. refusal to include anti-corruption provisions in a contract;
iv. using terms or conditions that are unusual or off-market and/or where the specific nature of the services to be provided is unclear;
v. unusual payment patterns or financial arrangements, including payments outside the country or to third parties or to business addresses or accounts inconsistent with a representative’s address or account; or
vi. commissions that are unusually high or suspiciously structured.

This is not an exhaustive list, as suspicious circumstances can take many forms. Ignoring red flags can give rise to a presumption that the person making the payment acted recklessly, in violation of applicable anti-bribery laws.

In High Risk Situations, prior to engaging a Third-Party Representative, employees must review the proposed terms of engagement for the Third-Party Representative with a higher standard of care, in order to satisfy themselves that (i) the proposed terms are customary and reasonable in relation to the services to be provided, and (ii) the proposed relationship fulfills all of the other criteria set forth in sections 11.2, 11.3 and 11.4 above.

High Risk Situations as well as situations where a red flag appears at any time either during contract negotiation or after the contract has been concluded, should be brought to the knowledge of the CEO of the CROMOLOGY entity concerned, who will decide what action to take after consulting with the group’s Legal Department.

12. AVOIDING AND DEALING WITH CONFLICTS OF INTERESTS

“Conflicts of interests” may arise when an individual or his/her close relatives, friends or business contacts may be able to improperly influence or exploit his/her or their own professional capacity for a personal or business benefit.

In addition to not committing acts of bribery, all CROMOLOGY employees must avoid situations in which their private interests conflict or could conflict with the interests of CROMOLOGY.

If an employee faces a situation where he/she has, or believes he/she may have, a conflict of interest, the employee must disclose the conflict of interest to his/her manager. The manager will assess the situation and determine the measures to be taken, after consultation with the Legal Department when necessary. The manager will decide whether the employee should be kept in the decision-making process or not.

For example, there is a conflict of interest when an employee has to take decisions for the company, which might be beneficial for one of his family members.
ANNEX A:

APPLICABLE ANTI-CORRUPTION LEGISLATION

A brief summary of applicable laws: French law, the U.S. FCPA and the U.K. Bribery Act, follows, but it should be noted that almost every country in the world prohibits bribery and that the thirty-eight signatories to the Organisation for Economic Cooperation and Development’s Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (“OECD Convention”) have similar standards to criminalise the bribery of foreign Government Officials.

French Law

The French Criminal Code as well as the French Criminal Procedure Code were amended in 2007, pursuant to the Anti-Corruption Act no. 2007-1958 of November 13, 2007 (the “2007 French Anti-Corruption Act”) so as to ensure that French law is in line with its international commitments relating to anti-bribery matters, and in particular with the OECD Convention. Under the French Criminal Code, the three main offences are:

(i) offences of bribery and trading in influence with national public (i.e., French) officials;
(ii) offences of bribery and trading in influence with foreign public officials, and
(iii) offences of bribery and trading in influence in the private sector.

“Bribery” under French law is broad and covers offers, promises, donations, gifts or advantages that are offered, solicited, or accepted in order to carry out or abstain from carrying out an act pertaining to one’s office, job or mandate (attempts to bribe are therefore included in the definition). The notion of “offers, promises, donations, gifts or advantages” is broadly interpreted by French Courts.
Under French law, both the person making or offering the bribe and the person accepting it are liable.

“Influence trafficking“ is defined as abusing one’s real or apparent influence with a view to obtaining a distinction, employment, contract or any other favourable decision from public officials. Importantly, the French Criminal Code criminalises not only bribery and influence trafficking with French and foreign officials, but also criminalises bribery and influence trafficking in the private sector.


The 2007 French Anti-Corruption Act also significantly expanded the investigative powers of French authorities by allowing the judicial authorities to use surveillance and undercover measures.

French law applies to CROMOLOGY and to its French subsidiaries (and may also, in certain cases, apply to other entities and persons outside of France).

The Sapin 2 Law provides that the Corporations (including their subsidiaries), with at least 500 employees and an annual turnover exceeding €100 million, will be required to implement a corruption prevention plan. It will include an internal reporting system, a risk mapping of external solicitations for corruption purposes to which the corporation may be
exposed, a code of conduct that must be part the Company’s Internal Rules and training programs for employees most exposed to corruption risks. In addition, appropriate internal control procedures will need to be applied. These will likely require implementation of three types of processes (i) controlling operations, (ii) risks monitoring and managing and (iii) documenting internal controls to ensure compliance traceability.

The new statute offers an increased protection for Whistleblowers (as this term is defined in the law; in summary, any person who reveals or reports, in a selfless way, in good faith, a crime or offense or a grave violation of an international commitment). That implies the implementation of reporting procedures to ensure strict confidentiality for Whistleblowers. This new statute provides, enhanced protection against retaliation.

The U.K. Bribery Act

The U.K. Bribery Act penalises U.K. nationals, residents and U.K. incorporated entities if they offer or receive bribes in respect of both public and private sector dealings, as well as if they bribe foreign public officials. It also penalises anyone (even if they are not U.K. nationals, residents or U.K. incorporated entities) who acts in this way if any act or omission which forms part of the offence takes place within the U.K.

It furthermore makes it a criminal offence for organisations to fail to prevent bribery committed on their behalf and for their benefit by "associated persons". This part of the U.K. Bribery Act applies to any organisation doing any part of its business in the United Kingdom [WHICH IS THE CASE OF CROMOLOGY]. The definition of "associated person" includes any person performing services for the organisation and is wide enough to capture employees, agents, consultants and even subsidiaries and third party vendors.

A company may violate this part of the U.K. Bribery Act when a person associated with the organisation commits an act of bribery with the intention of obtaining or retaining business or of obtaining or retaining an advantage in the conduct of business for the organisation. A company that is subject to the U.K. Bribery Act will be held strictly liable for failing to prevent bribery as defined under the law. The only defence is for the organisation to show that it had adequate procedures in place to prevent bribery.

The maximum penalty for an individual under the U.K. Bribery Act is 10 years imprisonment, in addition to any fine imposed. Corporations face a significant and potentially unlimited fine under the U.K. Bribery Act as well as having to repay any illegal profits made from contracts induced by bribery.

The U.S. FCPA

The U.S. FCPA prohibits bribery and corruption of foreign public officials, and holds both U.S. companies and foreign companies, in certain circumstances, such as when they engage in or authorize activities in the territory of the United States in furtherance of a bribe, liable for failing to prevent such acts by those acting on its behalf, no matter where the act takes place.

Specifically, the U.S. FCPA prohibits companies and their agents, officers, and employees from offering or paying any money or gift to any foreign Government Official, or to any other person while knowing that the money or gift will be offered or given, directly or indirectly, to a foreign Government Official for the purpose of:
- Influencing any decision of the foreign Government Official, including a decision to fail to perform his/her lawful duty; or
- Inducing the foreign Government Official to use influence with the government or any of its instrumentalities to influence any decision of the government or its instrumentality, or to obtain any improper advantage; or
- assisting a company in obtaining or retaining business.

The U.S. FCPA also requires “issuers” – companies with securities publicly-traded on a U.S. exchange or otherwise required to file certain reports with the U.S. Securities and Exchange Commission – to keep books, records, and accounts in reasonable detail so that they accurately reflect transactions undertaken and to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurance that transactions are executed as authorized by management and recorded properly.

The U.S. FCPA imposes criminal liability on both individuals and corporations. In addition to criminal penalties, a civil penalty may be imposed upon a company that violates the anti-bribery provisions, and against any officer, director, employee or agent of a company, or a stockholder acting on behalf of a company who violates the Act. The U.S. Department of Justice and the U.S. Securities Exchange Commission may also obtain injunctions to prevent U.S. FCPA violations.

For individuals who violate the anti-bribery provisions of the U.S. FCPA, criminal penalties include fines up to $250,000 per count or twice the amount of the gross pecuniary gain resulting from the improper payment, imprisonment of up to 5 years, or both. Corporations may be fined up to $2,000,000 or twice their pecuniary gain for criminal violation of the U.S. FCPA’s anti-bribery provisions. Individuals who wilfully violate the accounting provisions of the U.S. FCPA may be fined up to $5,000,000, imprisoned up to twenty years, or both. A corporation may be fined up to $25,000,000. Alternatively, both individuals and corporations violating the U.S. FCPA’s accounting provisions may be subject to fines of up to twice the amount of any pecuniary gain or loss resulting from such violation.

In addition to criminal penalties, a civil penalty of up to $10,000 may be imposed upon a company that violates the anti-bribery provisions, and against any officer, director, employee or agent of a company, or a stockholder acting on behalf of a company who violates the Act. Furthermore, a person or company found in violation of the U.S. FCPA may be barred from doing business with the U.S. Government, denied export licenses and precluded from programs under the Commodity Futures Trading Commission and the Overseas Private Investment Corporation.

Finally, it may be noted that various U.S. state and federal laws prohibit private commercial bribery.
ANNEX B:

OFFERING AND ACCEPTING GIFTS, MEALS & ENTERTAINMENT – APPROVAL THRESHOLDS PER COUNTRY

Europe: 100 euros

Countries other than European countries (except countries where legislation provides for another amount): 80 euros
ANNEX C:

REQUEST FORM (Example)

PART (A) – REQUESTOR INFORMATION
Name of Requestor
Title:
Department:
Contact no.:

PART (B) – RECIPIENT / DONOR
(1) Recipient/Donor Company:
(2) Name of Recipient/Donor:
(3) Title of Recipient/Donor:
(4) Nature of business with the Company:
(5) Description of Gift, Meal, Entertainment, Other Advantage or other:
(6) Value of Gift, Meal, Entertainment, Other Advantage or other:
   (Local currency & EURO):
(7) Circumstances
Is the Gift, Meal, Entertainment, Other Advantage or other compliant with the CROMOLOGY policy “On Gifts, Meals, Entertainment, Travel and Other Advantages, Political Contributions, Charitable Donations, Facilitation Payments, Solicitation and Extortion”?

(YES/NO)

If NO, please explain what the exception is and why it is justified:
________________________________________________________
________________________________________________________

*Please provide other relevant information in relation to the Gift, Meal, Entertainment, Other Advantage or other (if any).
________________________________________________________
________________________________________________________
ANNEX D:

DECLINING A GIFT (Example)

Dear XXX,

Your recent gift came as a pleasant surprise.

However the gift puts me in an awkward position. Our company guidelines do not allow us to accept gifts of significant value from third parties. So I must return your generous gift with thanks. I hope you understand our position and thank you for your thoughtfulness.

Your gesture was sincerely appreciated and I look forward to our continued relation.

Sincerely,