

BUSINESS ETHICS and COMPLIANCE CODE

Third Edition
1 March 2019

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Introduction

“ At Cotecna, integrity and business ethics are fundamental to the way we do business and are key elements of how we build our company”

- Sébastien Dannaud, Chief Executive Officer

We have implemented a Business Ethics & Compliance programme throughout our network. At the heart of the programme is the Business Ethics & Compliance Code. The Code's Principles and associated rules and procedures apply to all Group activities, and include standards for technical and professional conduct in the following areas:

- > **Integrity**
- > **Conflicts of interest**
- > **Confidentiality and Data Protection**
- > **Prevention of bribery**
- > **Ethical marketing and fair competition**
- > **Corporate social responsibility - Health and Safety, Fair Labour**

All employees are required to commit to the Business Ethics & Compliance Code, and receive training to ensure compliance. We encourage transparency and foster a workplace environment where ethical issues can be raised and guidance given accordingly. Our dedicated Compliance Department supports employees and management throughout our organisation to ensure a rigorous implementation of our integrity and ethical standards.

Most importantly, we place business ethics and compliance above all commercial considerations.

This Cotecna Business Ethics & Compliance Code (Third Edition) reflects the requirements of the TIC Council Compliance Code (First edition) dated 13th December 2018, published by the TIC Council (“TICC”) ^[1]

To ensure the implementation of our Business Ethics & Compliance Code throughout our organisation, we subject our Business Ethics & Compliance programme to an annual independent verification conducted by the company's external auditors whose results are reported to TICC.

Date of Entry into Force

The Cotecna Business Ethics & Compliance Code (Third Edition) enters into force on 1st March 2019.

[1] TICC was formed in December 2018 following the merger of the International Federation of Inspection Agencies (IFIA) and CEOC International, and represents leading international companies and organisations in the testing, inspection and certification (TIC) industry.

Scope and Applicability

The Cotecna Business Ethics & Compliance Code is applicable to all of Cotecna's activities conducted throughout its network of offices worldwide, and therefore to all employees of Cotecna's affiliates and branch offices.

All Cotecna employees are required to read, understand and acknowledge receipt of the Code as a condition of their employment at Cotecna. For the purposes of the Business Ethics & Compliance Programme, employees are persons engaged by Cotecna under a contract of employment whether of fixed or undefined duration, and temporary staff provided by an employment agency.

Business Partners engaged by Cotecna are also required to comply with the Business Ethics & Compliance Code's Principles. Business Partners are defined as subcontractors, agents, representatives, consultants, intermediaries, joint venture partners and any other party who is engaged to represent or promote Cotecna, or provide outsourced technical inspection, testing, certification and related professional services.

All Business Partners are required to give a written commitment to comply with the Principles of the Business Ethics & Compliance Code and to allow Cotecna to periodically monitor their compliance with these Principles.

Need more information?

In the event you require further information about the Business Ethics & Compliance Code, its implementation, specific internal procedures, or any other aspect of Cotecna's Business Ethics & Compliance Programme, please do not hesitate to contact the Compliance Department:

Email: compliance@cotecna.com

Tel: +41 (0)22 849 7814

The Principles

Integrity

In all our activities:

- > We operate in a professional, independent and impartial manner
- > We carry out our work honestly and do not tolerate any deviation from our approved methods and procedures
- > We ensure that where approved test methods make provision for tolerances in results, such tolerances are not abused to alter the actual test findings
- > We report data, test results and other material facts in good faith and we do not improperly change them, and we only issue reports and certificates that correctly present the actual findings, professional opinions or results obtained

Conflicts of Interest

We avoid conflicts of interest:

- > With any related entity in which we have a financial or commercial interest and to which we are required to provide services
- > Between Cotecna's companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other
- > Between our employees' interests and those of Cotecna

Confidentiality and Data Protection

Cotecna respects the confidentiality and privacy of client's information and ensures processes are in place to adequately protect such information.

We treat all information received in the course of the provision of our services as business confidential to the extent that such information is not already published, generally available to third parties or otherwise in the public domain.

Anti-Bribery

We prohibit the offer or acceptance of a bribe in any form, including kickbacks on any portion of a contract payment.

We prohibit the use of other routes or channels for provision of improper benefits to, or the receipt of improper benefits from, customers, agents, contractors, suppliers or employees of any such party or government officials.

Fair Business Conduct

Cotecna conducts itself with the highest standards of business ethics and integrity, and shall not do anything which would bring its reputation, or the reputation of the TIC Council or the TIC industry, into disrepute.

We only present Cotecna and conduct marketing, including comparisons with competitors or their services, in a manner that is:

- > Truthful
- > Not deceptive
- > Not misleading or likely to mislead

Corporate Social Responsibility

Health and Safety

Cotecna implements adequate training and procedures to protect the health and safety of its employees, customers, and third parties and monitors incidents with the view of minimising risks in the course of business operations.

Fair Labour

Cotecna is aware of its social responsibility for its employees and the people, communities and environments in which it works and respects human rights.

Application of our Principles

We apply our Principles through implementation of the Rules set out below. These are supported by detailed procedures and work instructions published in our Group Compliance Manual, available to all employees via the corporate intranet site (Cotecnet).

1.1 Integrity

- 1.1.1 Cotecna provides guidance to its employees for dealing with clients who expect Cotecna to abuse tolerances to obtain acceptable results.
- 1.1.2 In respect of those business sectors in which Cotecna is active, Cotecna complies with any sector specific Integrity Rules published by the applicable TICC Committee.

1.2 Conflicts of interest

- 1.2.1 In order to avoid conflicts of interest, or the appearance of conflicts of interest, in Cotecna's business transactions and services, Cotecna maintains a policy regarding conflicts of interest.
- 1.2.2 Cotecna's policy provides guidelines to employees in order to avoid conflicts of interest between:
 - i. Cotecna and any related entities in which Cotecna has a financial or commercial interest and to which it is required to provide services; and
 - ii. Cotecna's companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.
- 1.2.3 Cotecna's policy provides, as a minimum, that Cotecna's employees shall not:
 - i. directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a competitor of Cotecna, except for the acquisition of shares of a client, supplier or competitor on a public stock exchange, and then only to an extent which does not grant significant influence over the affairs of the client, supplier or competitor and which does not make the employee unduly dependent on its financial fortunes.
 - ii. hold any position with a competitor or client.
 - iii. conduct any company business with any member of their family or with an individual or organisation with which they or their family is associated.
 - iv. employ a member of their family without approval of Cotecna's management.

1.3 Confidentiality and Data Protection

- 1.3.1 Cotecna's employees are required, as a condition of employment, to sign a Non-Disclosure Agreement which prohibits the disclosure of any confidential business information, obtained during the course of their employment, to other parties.
- 1.3.2 Cotecna ensures that all business partners (as defined in 2.10) are made aware of the confidential nature of the business information that they may handle through their dealings with Cotecna, and that they should not disclose confidential information to other parties.
- 1.3.3 Cotecna maintains policies and procedures regarding the security of client information, which address the physical security of Cotecna's offices and other locations, and provide guidance to employees on how to safeguard client information and how to prevent disclosure of such information to non-authorised parties. Cotecna's Information Technology End User Policy sets out policies and rules to be followed by all employees having access to Cotecna's IT hardware and systems.

- 1.3.4 Personal Data, defined as data that relates or can be related to individuals, clients or employees, including name, address, e-mail addresses or user behaviour monitored when using Cotecna's web sites, which may be acquired by Cotecna in conducting its business, will only be used in accordance with Cotecna's published Privacy Policy.

1.4 Anti-bribery

1.4.1 Compliance with laws

Cotecna ensures that the Principles of its Programme meet the requirement of the TICC Compliance Code and local laws relevant to countering bribery in all the jurisdictions in which Cotecna operates.

In the event that the local laws specify additional or different requirements, which are not covered by the Programme, Cotecna modifies accordingly its Programme for the country(ies) concerned. Records are kept of countries where the Programme has been modified.

1.4.2 Analysis of risks

Cotecna's Compliance Committee and/or the senior executive, or his delegate, in each country of operation organises periodic reviews to assess bribery risks and determines appropriate control measures. Such reviews are systematically conducted:

- i. Prior to the commencement of a new service or the start-up of operations in a new country, and
- ii. Whenever a significant breach of Cotecna's Compliance Programme occurs which warrants a review of the existing control measures.

1.4.3 Business Principles for Countering Bribery

Cotecna employs good business practices and risk management strategies in accordance with the Business Principles for Countering Bribery as published by Transparency International and Social Accountability International (see www.transparency.org). These address the following areas:

1.4.3.1 Political contributions

Cotecna, its employees or agents shall not make direct or indirect contributions to political parties, organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions.

Criteria and due diligence requirements for proposed political contributions are described in the Group Compliance Manual. All political contributions are subject to prior review and approval by the Compliance Committee and shall take into account the applicable laws in the countries concerned.

All political contributions made by Cotecna are accounted for in a separate general ledger account in its accounting records. Cotecna consolidates all such payments made by any of its operations forming part of its organisation.

1.4.3.2 Charitable contributions and sponsorships

Cotecna ensures that charitable contributions and sponsorships are not used as a subterfuge for bribery.

Criteria and due diligence requirements for proposed charitable contributions and sponsorships are described in the Group Compliance Manual, together with the designated levels of approval.

Prior to approval, each proposal is subject to a due diligence review to ensure that:

- > The organisation receiving the contribution or sponsorship is reputable pursuing a purpose unequivocally in the public interest and having the financial and personnel resources required to reach its purpose. Care should be taken to ensure that the organisation is not a "front" for some other purpose. Donations to individuals shall be avoided unless approved and monitored by Cotecna's Compliance Committee.
- > There are no conflicts of interest.
- > Sponsoring agreements are in writing and state the consideration being offered by Cotecna. If funds are offered, the use of these funds shall be specified in detail and an opportunity to check on their use must exist.
- > Records are maintained locally of all charitable contributions and sponsorships and progress monitored to ensure that they have been used for the intended purpose.

All charitable contributions and sponsorships made by Cotecna are accounted for in a separate general ledger account in its accounting records. Cotecna consolidates all such payments made by any of its operations forming part of its organisation.

1.4.3.3 Facilitation payments

Facilitation payments are defined as small payments made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement. Cotecna prohibits such payments where they are not legal for either payer or receiver.

Cotecna recognises that facilitation payments are a form of bribery and works to identify and eliminate them.

1.4.3.4 Gifts, hospitality and expenses

Cotecna prohibits the offer or receipt of gifts, hospitality or expenses whenever such arrangements could affect the outcome of a business transaction and are not reasonable and bona fide expenditures. All gift, hospitality and other expenses made by Cotecna are accounted for in separate general ledger accounts in its accounting records. Cotecna consolidates all such payments made by any of its operations forming part of its organisation.

Criteria and due diligence requirements for proposed gifts, hospitality and other expenses are described in the Group Compliance Manual, together with the designated levels of approval.

Examples of such criteria are that such expenditure should be:

- > **Made for the right reason:** the gift or entertainment should be given clearly as an act of appreciation or genuine business intent.
- > **Without obligation:** the gift, entertainment or expense does not place the recipient under any obligation.
- > **Without expectations:** expectations are not created in the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction.
- > **Made openly:** if made secretly then the purpose will be suspect.
- > **In accordance with stakeholder perception:** the transaction would not be viewed unfavourably by key stakeholders if it were made known to them.
- > **Reported:** the gift or expense should be recorded and reported to management.
- > **Reasonable value:** the size of the gift is small or the value of the entertainment accords with general business practice.
- > **Legal:** it conforms to the laws of the country where it is made.
- > **In conformance with the recipient's rules:** the gift or entertainment meets the rules or code of conduct of the receiving organisation.
- > **Infrequent:** the giving or receiving of the items is not a frequent happening between the giver and the recipient.

1.5 Fair Business Conduct

- 1.5.1 Cotecna provides guidelines to employees, agents and intermediaries to ensure that they understand and adhere to the Business Ethics & Compliance Principle governing Fair Business Conduct.
- 1.5.2 Cotecna's Fair Business Conduct policy prohibits:
- i. making untrue statements about competitors, their operations, services or service offerings;
 - ii. activities contrary to rules for fair competition, anti-trust or tendering;
 - iii. inciting, inducing or encouraging any person to breach its contractual obligations (including obligations of confidentiality);
 - iv. commercial espionage and/or data theft.
- 1.5.3 Cotecna's presentations and publications accurately and unambiguously reflect Cotecna's network and affiliations, resources / capabilities, experience and services provided.

1.6 Health and Safety

- 1.6.1 Cotecna's Health & Safety policy is to provide its employees with safe working environments and conditions, with appropriate tools and equipment and the training necessary to conduct their work safely, to prevent injuries and occupational illness, and which meet all relevant legal requirements
- 1.6.2 Cotecna provides training to its employees appropriate for the activities they are engaged in which include, at minimum:
- i. Cotecna's requirements for those persons required to work at height, in confined spaces, near moving equipment and machinery, and other such hazards that may occur at client and third party premises/locations
 - ii. Cotecna's requirements for those persons working in laboratories;
 - iii. the use of approved Personal Protective Equipment at all times, in accordance with Cotecna's policies
 - iv. adherence to additional health and safety precautions as directed by clients and places of inspection, providing that these directions do not result in increased danger or hazard
 - v. the reporting of all incidents to the local Cotecna Health & Safety officer
- 1.6.3 Cotecna implements strict rules for the reporting and notification of any type of workplace accident, injury or incident. All employees are obliged to report such matters in accordance with the company's operational procedures. Cotecna conducts periodic audits of its operations and workplace environments to identify risks and opportunities for further improvement to its health and safety procedures.
- 1.6.4 The senior manager of each permanent Cotecna establishment is responsible for ensuring that the workplace complies with legal requirements and provides a safe environment to work.

1.7 Fair Labour

- 1.7.1 Cotecna's policy on Fair Labour sets out our commitment to our people, and the communities and environments in which we work.
- 1.7.2 Cotecna's Fair Labour policy is the following:
- > Throughout its worldwide network of companies, Cotecna complies with local, national and other relevant laws and regulations in all matters pertaining to the employment and management of its employees in the workplace.
 - > Cotecna respects and promotes equal opportunities in the workplace.
 - > Cotecna does not tolerate any forms of abuse, bullying or harassment in the workplace.
 - > Cotecna does not employ children under the age of completion of compulsory schooling (in any case not less than 16 years old). Employees aged 16-18 years old are not employed in hazardous activities.
 - > Cotecna prohibits any form of forced or compulsory labour, whether in the form of prison labour, indentured labour, bonded labour, slave labour or any kind of non-voluntary labour.

Organisation of the Programme

This section sets out the organisational aspects of how our Business Ethics & Compliance Programme (hereafter referred to as the “Programme”) is implemented covering, amongst other elements, the commitment and role of the Board of Directors, senior management and all employees in the implementation of the Programme.

Detailed procedures and work instructions are published in our Group Compliance Manual, available to all employees via the corporate intranet (Cotecnet).

For the purposes of the Programme, the term Senior Manager(s) means the Cotecna executives who have responsibility for one or more of the following: a geographical region, a country, a contract, a business stream, or a Corporate Service (eg Finance, HR, IT, Legal). This definition includes Managers, Directors, Area Managers, Vice Presidents, Senior Vice Presidents and the Chief Executive Officer and any other grade which has responsibilities comparable with those previously listed.

2.1 Implementation

Cotecna implements its Business Ethics & Compliance Programme (hereafter referred to as the “Programme”), based on this Code, throughout its organisation.

2.2 Compliance Principles and Rules

The Board of Cotecna Inspection SA has confirmed its commitment to implementing this Business Ethics & Compliance Code by publishing and adopting the Cotecna Business Ethics & Compliance Principles and the key elements of implementation which, at minimum, reflect the **TICC Compliance Principles and Requirements for Implementation**.

Any subsequent update to the Cotecna Business Ethics & Compliance Code and Programme are, within one month of publication, submitted to the Director General of TICC for verification of compliance with the TICC Compliance Code.

2.3 Appointment of Compliance Officer

The Board of Cotecna Inspection SA, which has ultimate responsibility for the Programme, has nominated a member of senior management as the Compliance Officer, who, irrespective of his/her other responsibilities has responsibility and authority for the co-ordination of the implementation of the Programme throughout the Cotecna Group., Senior managers throughout Cotecna have responsibility for implementation of the Programme in their area of responsibility.

2.4 Establishment of a Compliance Committee

The Board of Cotecna Inspection SA has established a Compliance Committee to carry out periodic reviews of the progress of the Programme and provide policy guidance. The Compliance Committee includes, at minimum, the CEO, a representative of the Board of Cotecna Inspection SA, and the Compliance Officer. Other members of senior management representing Operations, Human Resources and Legal may also participate in the Committee. The Compliance Committee meets at least four times per year.

2.5 Human Resources

2.5.1 Recruitment

Prior to a job offer, prospective employees of Cotecna are informed of the Cotecna Business Ethics & Compliance Programme.

2.5.2 Employee commitment

Cotecna ensures that:

- i. each employee is provided with a copy of the Cotecna Business Ethics & Compliance Code and is requested to sign a declaration that it has been received, read and understood. A record is kept in the file of the employee.

- ii. each Senior Manager is required to sign an annual declaration (see section 3.1) that Cotecna's Programme has been implemented in their area of responsibility.
- iii. each employee is required to sign, as a condition of employment, a Non-Disclosure Agreement prohibiting the disclosure to other parties of any confidential business information obtained during the course of his/her employment.

Employees will not suffer demotion, penalty or any other adverse consequences arising from strict implementation of the Programme even if it may result in a loss of business.

2.5.3 Training

All employees including Managers of Cotecna are required to undergo periodic Compliance Training to ensure their continued understanding of the Programme. A Record of course completion is kept in the file of each employee.

2.5.4 Consultation on Code development

Cotecna's employees have the opportunity to provide input on the development of the Programme during performance evaluations, staff training sessions or at review meetings (directly, through their superior or through staff representatives) or directly to the Compliance Officer.

2.5.5 Employee "help lines"

Cotecna has established "help lines" where Cotecna's employees may obtain guidance on any question or matter of concern relating to the implementation or interpretation of the Programme. At the employee's request, any such question shall be dealt with confidentially and the anonymity of the employee shall be protected to the extent reasonably practicable.

- > Dedicated Help Line: +41 (0) 22 849 7814
- > Dedicated email address: compliance@cotecna.com

2.6 Security Measures

Cotecna implements adequate security measures in its organisation's premises containing confidential business information to ensure that:

- i. access is restricted to authorised personnel only and,
- ii. documents / data are stored in designated secure areas and disposed of in a secure manner.

2.7 External communications

Cotecna ensures effective external communications by:

- 2.7.1 The Cotecna Business Ethics & Compliance Code is published on www.cotecna.com and copies of the Code are available from any of Cotecna's offices.
- 2.7.2 Enquiries, complaints or feedback from relevant interested parties may be made via the web site, email (compliance@cotecna.com) or to the General Manager of any Cotecna office.

2.8. Reporting of violations

- 2.8.1 Cotecna's employees are encouraged to report details of violations or suspected violations to either (a) the Compliance Officer or his/her nominated delegate(s) or (b) the employee's superior or member of senior management or internal auditor who will, in turn, inform the Compliance Officer or his/her nominated delegate(s).

The reporting employee is fully protected against any form of reprisal unless he/she acted maliciously or in bad faith. If requested, the employee's anonymity will be protected to the extent reasonably practicable.

- 2.8.2 Cotecna's employees are required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge in the same manner as provided for under section 2.8.1.

2.9. Investigations and sanctions

- 2.9.1. The Compliance Officer or his/her nominated delegate(s) initiates, where appropriate, an investigation into any violation of the Programme reported to him/her or coming to his/her knowledge.
- 2.9.2. The Compliance Officer maintains a documented procedure, approved by the Compliance Committee, for the handling of investigations and sanctions which includes requirements for:
- i. The maintenance of records of all reported violations and subsequent actions taken.
 - ii. The alleged perpetrator of such violation to have the right to be heard.
 - iii. The Cotecna management or Compliance Committee to decide on the appropriate corrective and disciplinary measures to be implemented if a violation has been established. These measures may include a reprimand, demotion, suspension or dismissal.
 - iv. The Compliance Officer to receive progress reports from his/her nominated delegates and/or the management in the locations concerned and prepare periodic summary reports for the Compliance Committee on investigations, violations established and the implementation of corrective actions and disciplinary measures.

2.10. Business Relationships

To ensure that Cotecna's Business Ethics & Compliance Programme is applied to the extent appropriate in its business relations with parties external to Cotecna and that improper payments are not channelled through them, Cotecna ensures that such parties abide by Cotecna's Compliance Programme to the extent that is appropriate. Such parties (who are also referred to as "Business Partners") include:

- > Intermediaries (entities or individuals external to Cotecna who are required to promote the services of Cotecna as part of their responsibilities, including consultants and advisers)
- > Joint Venture partners
- > Agents (entities or individuals external to Cotecna who are required to provide operational services on Cotecna's behalf)
- > Subcontractors (entities or individuals performing outsourced activities under a contract with Cotecna)

The Compliance Committee has developed and distributed appropriate procedures / work instructions. These procedures incorporate the following requirements:

- > conducting due diligence before entering into or renewing any contract with such parties
- > making known Cotecna's Business Ethics & Compliance Principles to the party and seeking assurance that the party will comply with these Principles in so far as these apply to activities performed on behalf of Cotecna
- > obtaining the party's contractual commitment to comply with the Cotecna's Business Ethics & Compliance Principles and to allow Cotecna to verify this periodically
- > monitoring the party's continual compliance with Cotecna's Business Ethics & Compliance Principles (and in the event of discovering a breach taking remedial action)
- > not dealing with any parties known to be involved in bribery.

Due diligence includes the following requirements:

- > A risk analysis
- > An interview with the party
- > An investigation of the party's background which, for intermediaries, is reviewed and approved by Cotecna's Compliance Committee
- > A verification through a remuneration analysis, which is reviewed and approved by Cotecna's Compliance Committee, that the remuneration paid to each intermediary is appropriate and justifiable for legitimate services rendered and does not facilitate improper payments by the intermediary.

Criteria and due diligence requirements for proposed business partners are described in the Group Compliance Manual, together with the designated levels of approval. Intermediaries who are required to deal with government officials, and all joint venture partners, require prior review and approval of the Compliance Committee.

Additionally, for intermediaries and other parties as may be appropriate, Cotecna provides training and support.

Cotecna accounts for all intermediaries' remuneration in a separate general ledger account in its accounting records. Cotecna consolidates all such payments made by any of its operations forming part of its organisation and prepares an annual consolidated management statement of all intermediaries' remuneration.

2.11 Complaints and Disciplinary Procedures concerning TICC Members

In accordance with the requirements of the TICC Compliance Code, any complaints concerning alleged non-compliance with the TICC Compliance Code by other members of TICC shall be lodged with TICC in accordance with the **TIC Council Complaints Handling Procedure**.

Cotecna refrains from submitting such complaints to other parties unless it is necessary to do so to protect Cotecna's reputation.

Breaches of the TICC Compliance Code may lead to sanctions imposed by TICC subject to the rules, including rights of appeal, set out in the **TIC Council Complaints Handling Procedures**.

2.12 Accounting and book keeping

Cotecna maintains accurate books and records which properly and fairly document all financial transactions. Off-the-books accounts are prohibited.

2.13 Health & Safety

Cotecna records and investigates all reported Health & Safety incidents and undertakes corrective measures where appropriate.

2.14 Compliance summary report

Cotecna's Compliance Officer prepares on an annual basis, a summary report covering statistics or confirmations to show compliance with Cotecna's procedures and policies for the following areas:

- a) Violations - number of violations / suspected violations reported; number of violations substantiated; and confirmation that remedial actions have been determined and action undertaken / being undertaken for each substantiated violation / non-compliance.
- b) New or renewed intermediaries and joint venture partners
 - i. number of new or renewed intermediaries and joint venture partners in the financial year;
 - ii confirmation that each has gone through Cotecna's due diligence procedures as required;
 - iii confirmation that an appropriate contract / terms of business has been put in place with each,
- c) Expenses - confirmation the expenses are in line with Cotecna's Compliance Programme and related policies for:
 - > Political contributions
 - > Charitable contributions and sponsorships
 - > Expenditures relating to gifts, hospitality and expenses
 - > Intermediaries' remuneration
- d) Health & Safety - number of Health & Safety incidents reported; and confirmation that remedial actions have been determined and action undertaken / being undertaken for each incident.

Verification

This section sets out the means by which Cotecna verifies the effectiveness of the implementation of the Business Ethics & Compliance Programme throughout its organisation.

Detailed procedures and work instructions are published in our Group Compliance Manual, available to all employees via the corporate intranet.

3.1. Management declarations

Cotecna requires its Senior Managers throughout its organisation to prepare and sign, on an annual basis, a Compliance Declaration which is based on the template contained in **Annex A** to the **TICC Compliance Guidelines on Implementation**. These Compliance Declarations are to be received, in respect of all applicable locations and/or activities, by the Compliance Officer by the 31st January of each year. The Compliance Officer submits an annual summary report to the Compliance Committee.

3.2. Internal audits

Cotecna's internal auditors, as part of their internal audit plan, verify that the Cotecna Business Ethics & Compliance Programme has been implemented within the organisation and that the Management Declarations, as per section 2.5.2 (ii)

- i. have been completed in conformance with the Cotecna Group Compliance Manual
- ii. reflect compliance with the Business Ethics & Compliance Programme and
- iii. in respect of those locations selected for site audits, correctly reflect the actual situation. Such site audits shall review the processes in place and include testing, on a sampling basis, to ensure the effective application and implementation of the Programme. The **TICC Guidance Check List for Member's Internal Compliance Audits** is used for guidance or reference as appropriate.

The compliance findings resulting from such audits are reported to the Compliance Officer who submits a summary report to the Compliance Committee. The Compliance Officer and/or Compliance Committee takes follow-up actions where appropriate.

3.3. External Verification

The implementation of the Programme is verified through submission of documents and by agreed upon procedures carried out by Cotecna's appointed recognised independent external audit firm.

3.3.1 Frequency

The external verification is conducted annually.

3.3.2 Independent external audit firm

Cotecna's appointed independent external audit firm to carry out the verification is the firm engaged for the audit of Cotecna's (consolidated) financial statements. The firm engaged is a reputable international audit firm that is a member of a recognised national professional accountancy organisation.

3.3.3 Notification to TIC Council of Cotecna's appointed external audit firm(s)

Prior to the appointment of the external audit firm(s), or any subsequent proposed changes thereof, Cotecna submits details to the TICC Director General for confirmation of compliance with TICC requirements.

3.3.4 Scope of verification

Cotecna carries out the following:

3.3.4.1 Submission of documents for verification to TICC

Cotecna submits the following documents:

- 1) Cotecna's Business Ethics & Compliance Programme, as well as policies in relation to each Principle (if separate).

- 2) The Terms of Reference for the Compliance Committee including the specification that the Compliance Committee is responsible for overseeing the Compliance Programme.
- 3) List of members of the Compliance Committee (including job title)
- 4) Business Ethics & Compliance Programme training material
- 5) Material helping the awareness of the employee Help Line.
- 6) Material encouraging employees to report details of violations or suspected violations and to whom they can report.
- 7) Screen print of Cotecna's web site where:
 - The Business Ethics & Compliance Principles are explained.
 - An interested party can make inquiries, complaints or feedback.
- 8) Documented procedure for the handling of investigations and sanctions.
- 9) Policies relating to confidential business information (information security policy, confidentiality policy).
- 10) Procedures for health & safety incident reporting and investigations.
- 11) Procedures for due diligence for initiating or renewing relationships with intermediaries and joint venture partners.
- 12) Procedure for contracting with intermediaries and joint venture partners and related template(s) of contract / terms & conditions with a new / renewed intermediary or joint venture partner.
- 13) Template of the annual management declaration based on the template in **Annex A** of the **TICC Guidelines for Implementation**.
- 14) Scope of Internal Audit Plan that includes the review of the implementation of the Business Ethics & Compliance Code.
- 15) Annual summary reports prepared by the Compliance Officer covering statistics or confirmations to show compliance with Cotecna's procedures and policies, as specified in **Annex B** of the **TICC Guidelines For Implementation**.
- 16) Annual report of the results of the agreed upon procedures.

When submitting the documents, Cotecna assesses whether the evidence being submitted meets all the evidence requirements, as detailed in **Annex B** of the **TICC Guidelines for implementation**, any deviation from which is explained in writing.

Unless otherwise stated, documents are re-submitted only if they have been updated. All documents are reviewed and updated at least every three years or whenever there is an update to Cotecna's Business Ethics & Compliance Code and Programme and/or guidelines issued by TICC.

3.3.4.2 Request audit firm to carry out agreed upon procedures

Annually, Cotecna requires its independent audit firm to carry out agreed upon procedures for the following areas:

- I) Understanding of compliance code by each new employee
- II) Attendance of Business Ethics & Compliance Programme training course(s) by employees
- III) Employee Help Line (or equivalent - e.g. designated email) to raise queries and / or issues relating to the Business Ethics & Compliance Programme
- IV) Reviewing and taking actions on enquiries, complaints and feedback from interested parties
- V) Understanding of the confidentiality requirements by each new employee
- VI) Schedules prepared for political contributions; charitable contributions and sponsorships; expenditures relating to gifts, hospitality and expenses; and Intermediaries' remuneration
- VII) Monitoring of annual compliance declaration submissions by Senior Managers

The specific agreed upon procedures are detailed in **Annex C** to the **TICC Guidelines for Implementation** document.

3.3.5 Audit firm's Report

Cotecna requires the audit firm to produce a Report showing the results of the agreed upon procedures using the template contained in **Annex C** to the **TICC Guidelines for implementation**.

Cotecna submits its audit firm's Report to TICC within six months of the end of Cotecna's financial year.