



Anti-Corruption Policy



Pomelo Admin

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Monday to Friday from 9:15 am to 6 pm



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1. Introduction

Committing an act of corruption or influence peddling is a serious, illegal act that can have very serious consequences for the person committing the act, but also for Pomelo-Paradigm. In order to combat corruption effectively, national and international legislation has been steadily increasing and strengthening in scope and enforcement for several years.

It is in this context that Pomelo-Paradigm has developed and implemented, in accordance with Article 17 of the French law of 9 December 2016 known as "Sapin II", a compliance programme specifically designed to prevent and detect corruption, of which this Anti-Corruption Policy forms an integral part.

The purpose of this Policy is to set out the principles that define acts of corruption or influence peddling and to illustrate various types of prohibited behaviour and rules that must be followed. It applies to all personnel working for the Company as well as its corporate officers. All of our partners (service providers, intermediaries, suppliers, agents, customers, etc.) are also expected to comply with the provisions of this Policy or to apply standards that are at least equivalent to it.

This Policy does not claim to be exhaustive and is not intended to cover all situations that Employees may encounter. It outlines what constitutes corruption or influence peddling and sets out the rules that must govern the actions of Employees. This Policy seeks to promote personal reflection and a sense of responsibility in each individual, and it is up to each Employee to exercise judgement and common sense when faced with the various situations that may arise.

2. What is corruption and influence peddling?

The generic term 'corruption' refers to corruption itself and influence peddling.

An act of influence peddling (Article 433-1 et seq. of the French Criminal Code) is committed when a gift or undue advantage is offered or granted so that the beneficiary uses their real or supposed influence to obtain a favourable decision from a public authority.

Influence peddling involves three parties:

- Anyone who provides benefits or gifts;
- Anyone who uses the credit they have by virtue of their position/function ('the beneficiary');
- Anyone who has decision-making power (public authority or administration, magistrate, etc.).

An act of corruption (Article 445-1 et seq. of the French Criminal Code) is committed when a gift or undue advantage of any kind is offered or granted to a person in order to induce them to perform, delay or omit to perform an act within the scope of their duties.

The common feature of corruption and influence peddling is the misuse of one's position by the beneficiary of the undue advantage (the corrupt official), who trades on the power or influence that their position affords them for their own direct or indirect personal gain. There are two types of corruption:

- Corruption is active when the person who bribes takes the initiative by offering or providing something in order to obtain an undue advantage.
- Corruption is passive when the act of corruption is initiated by the person who is corrupted, i.e. the person who performs or fails to perform an act in exchange for an undue advantage. There are therefore many examples of corruption:
 - Offering a gift or personal advantage in order to obtain an undue favour;
 - Paying an intermediary to intervene favourably with a decision-making authority;

- Granting a privileged invitation to a representative of the public authority in expectation of something in return, etc. The offence of corruption is established by the mere promise of an undue advantage, even if that advantage is not ultimately granted.

Corruption is referred to as public when it involves persons exercising a public function (hereinafter 'public officials') and private when the corruption offence involves only natural or legal persons in the private sector. The concept of public official must be interpreted broadly and refers to any person who holds public authority, is responsible for a public service mission or holds public office, either for themselves or for others.

Any other person considered as such under the national legislation of a country must also be classified as a public official.

3. Rules to follow

This chapter aims to prevent and combat corruption by providing various types of conduct that should be prohibited as likely to constitute corruption or influence peddling.

Gifts and invitations

Offering gifts and invitations is often considered an act of courtesy that strengthens business relationships, but offering or accepting gifts or invitations can also constitute an act of corruption.

Anti-corruption rules prohibit the giving or accepting of gifts, invitations and other items of value to a third party for the purpose of obtaining an undue advantage or exerting undue influence over the third party.

Rules to follow :

- Gifts and invitations may only be received or given if they are not prohibited by applicable law or regulation, or if they violate the recipient's known code of conduct.
- When not prohibited, giving or accepting a gift or invitation must remain exceptional and be limited to reasonable and legitimate expenses.
- Gifts and invitations given or accepted must not be intended to obtain an undue advantage or influence the actions of the recipient.
- Gifts of cash are prohibited.
- Gifts and invitations are strictly professional. They may only be given to the business partner or employee. The employee must not accept any gifts for the benefit of their relatives or family.
- Gifts given must be appropriate to the situation, professional custom, the occasion, and be of reasonable value.
- The third party must also inform the employee's employer of the amount of any sums and benefits allocated to them on the first day of the month following the allocation of the bonuses in question, or on June 30 of the calendar year following this allocation (Article D. 242-2-2 of French Social Security Policy, "Politique de la sécurité sociale"). An employee may only accept an invitation to a business meal if such meals are reasonably frequent and are not extravagant or ostentatious.
- Any gifts, invitations, or benefits must be given independently of any significant decision-making process (for example, any competitive bidding/tendering procedure).

Indeed, the circumstances surrounding the gift or invitation must not be such as to raise suspicions of corruption, even in hindsight. It is therefore necessary to be mindful of the context and meaning that a benefit or gift may take on, which must not imply any expectation of something in return.

Facilitation payments

Facilitation payments are sums of money (usually small) requested by public officials in order to obtain or expedite the completion of certain administrative acts/procedures to which the person making the facilitation payment is legally entitled. Facilitation payments do not result in an undue or unearned advantage for the person making them; their purpose is to expedite or facilitate a transaction.

Rules to follow :

- Any facilitation payment is prohibited.

Recruitment

The recruitment of a new employee within the Company may potentially give rise to an act of corruption if the Company receives an undue advantage from a third party in return for hiring a particular candidate, in particular in order to obtain a benefit relating to a future contract or influence over an administrative decision.

Rules to follow :

- Any undue advantage (personal or in the context of one's duties) granted by a third party in exchange for the recruitment of an employee is prohibited.

Intermediaries

The Company may be required to study its deployment in a new market, to assist it in considering external growth or divestment, etc., to call upon intermediaries (consultants, investment banks, business partners, etc.) who act on behalf of the Company.

In certain cases, the Company could be held legally liable for acts of corruption committed by intermediaries in the course of their work for the Company, even if the Company did not solicit or accept the act of corruption.

Rules to follow :

- Any decision to use an intermediary must be justified and documented, and must comply with internal procedures.
- Any use of an intermediary must be subject to careful examination and prior checks on their integrity ('due diligence') that are appropriate and proportionate to the particular situation of the intermediary, so that only honest and trustworthy intermediaries are engaged (reputation and any current or previous legal proceedings, company contact details, shareholding structure, etc.), in accordance with internal procedures.

As part of these checks:

- Any suspicious evidence must lead to the exclusion of collaboration with the intermediary;
- No contract must be concluded with an intermediary until all doubts concerning them have been cleared up or if they refuse to provide the required information.
- Any use of an intermediary must give rise to the establishment of a written contract reviewed by the legal department. These contracts must explicitly contain a list of the services expected, the basis for calculating prices and fees, clauses certifying that the co-contractor complies with anti-corruption rules and laws and by which they undertake to combat corruption, and provide for the cancellation of the contract in the event of a breach of these rules.
- The intermediary's remuneration must correspond to the market price and the services and tasks performed by the intermediary. No payment may be made outside the remuneration set for the specific tasks identified, and in strict compliance with the terms of the contract.
- All documents specific to the intermediary's activity must be kept throughout the business relationship (contract, proof of services, invoices, payments) in order to facilitate any subsequent verification.

Business partners (excluding intermediaries)

As part of its activities, the company works with numerous business partners (excluding intermediaries) for its various activities and must work with suppliers and partners who are committed to acting with integrity, loyalty and fairness, in accordance with applicable laws and regulations and in compliance with this Policy.

Rules to follow :

- Before entering into a business relationship with a commercial partner, due diligence checks must be carried out, tailored and proportionate to the specific situation of the commercial partner.
- Suppliers must be selected in accordance with company guidelines (issuing calls for tenders or consultations, etc.).
- Contracts and agreements entered into with business partners must be reviewed and explicitly contain a list of expected services, the basis for calculating prices and fees, clauses certifying that the co-contractor complies with anti-corruption rules and laws and by which it undertakes to combat corruption, and provide for the cancellation of the contract in the event of a breach of these rules.

Lobbying

Lobbying is any activity intended to complement dialogue and inform the decisions or directives of a government, institution or regulatory body in favour of a particular cause or expected outcome. More specifically, it is a constructive and transparent contribution that aims to enrich the debate.

As part of the lobbying activities carried out on its behalf or in its interest, the company is occasionally called upon to contribute to debates and discussions on the development or application of a law or regulation by giving its opinion or providing its technical expertise.

Lobbying becomes corruption if the person lobbying offers an advantage in order to encourage the other party to make a decision that is favourable to them.

Rules to follow :

- Demonstrate integrity, intellectual honesty and transparency in all dealings with public officials, regardless of the situation or interest being defended.
- Do not seek to obtain any undue political or regulatory advantage.
- Only use lobbyists whose integrity and reputation are recognized, and ensure that lobbyists acting on behalf of the Company conduct their activities in accordance with this Policy and applicable regulations.

Donations, patronage and sponsorship

Pomelo-Paradigm may work to promote civil society by making donations and engaging in patronage or sponsorship activities, particularly with charitable organizations.

These donations, patronage and sponsorship activities may be considered corruption when they are carried out with the aim of obtaining an undue advantage.

For example, donations and sponsorships may be used as a means of bribing a person who is likely to influence a decision in a transaction, particularly if that person has an interest in the organization receiving the donation or sponsorship.

Rules to follow :

- Donations, patronage and sponsorship activities may only be made to organizations or companies whose reputation and legitimacy have been verified and must never be made to individuals.

- Donations, patronage and sponsorship activities must not be made in order to obtain an undue advantage or unduly influence a decision.
- Such donations, patronage and sponsorship activities must be carried out in compliance with applicable laws and regulations as well as the Company's internal procedures, and must be reported to the finance department for proper accounting recording in the Company's accounts.

Funding or contribution to political activities

The financing of political activities refers to any direct or indirect contribution intended to support a political party, candidate or elected official. This financing is subject to specific regulations.

This contribution may consist of a monetary payment or any other benefit such as gifts or services, advertising or any other partisan activity.

Even when made in compliance with applicable regulations, these contributions may be a source of corruption or be interpreted as a questionable practice.

Rules to follow :

- Any contribution, whether financial or in kind, direct or indirect, made by Pomelo-Paradigm or its Employees on behalf of the Company to political organizations, parties or figures is prohibited.
- Employees must separate their personal political activities from their duties within the Company in order to avoid any situation that could give rise to a conflict of interest. Of course, each Employee may take part in political activities in a personal capacity in their free time, outside the workplace, using their own financial resources and without making any reference whatsoever to their affiliation with the Company.

Keeping and accuracy of books and records

Books and records refer here to all accounting, financial and commercial records. These include accounts, correspondence, summaries, books and other documents relating to accounting, finance and commerce.

In the fight against corruption, it is essential that transactions are transparent, fully documented and allocated to accounts that accurately reflect their nature.

Rules to follow :

- No entry in Pomelo-Paradigm's books and records shall be unfounded, erroneous, falsified or fictitious.
- The Company's books and records shall be a true and accurate reflection of the transactions carried out and shall be prepared in accordance with the accounting standards and guidelines in force.
- All controls and approval procedures established within the Company must be applied.
- Documentation demonstrating the appropriateness of the services concerned and the corresponding payments must therefore be retained.

4. Compliance with the Anti-Corruption Policy and applicable sanctions

Compliance with Policy

This Policy applies to all Pomelo-Paradigm employees. It is available on all the Company's intranet sites and will be given to all new employees.

This Policy is also intended to apply to companies controlled by Pomelo-Paradigm abroad, after any necessary adaptation to the laws and regulations specific to each country.

This Policy will be amended or adapted over time if necessary, in particular due to changes in applicable legislation.

The directors and managers of all Pomelo-Paradigm companies must set an example in terms of the proper application of this Policy and ensure that it is communicated to their teams.

For any questions relating to this Policy or in the event of difficulty in interpreting or doubt about its application to a given situation, the principles of action and behaviour set out above, each Employee is invited to consult their line manager, it being specified that corporate officers must refer to the corporate body to which they report or to the legal representative of the shareholder. In case of doubt, the internal audit department and/or the corporate 'company law' department may be consulted.

Consequences for violating the Policy

Any breach by an Employee of the anti-corruption rules set out in the Policy will expose them to disciplinary sanctions, which may include termination of their employment contract, as well as personal criminal and/or civil proceedings.

All Employees are expected to be familiar with this Policy and are therefore responsible for carefully reading, understanding and complying with all the rules and guidelines set out herein.

It should also be noted that the Anti-Corruption Policy is appended to the Company's internal regulations and, as such, has the same effect.

Right to alert

The purpose of the professional alert system is to enable each Employee to play an active role in preventing corruption risks.

Any Employee may exercise their right to raise the alarm to report conduct or situations that contravene this Policy, insofar as these are likely to constitute acts of corruption or influence peddling.

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