

GENERAL MANAGEMENT PROCEDURES – GMP4

PREVENTING CORRUPTION IN THE CONDUCT OF OUR BUSINESS

Nexans is committed to strict compliance with all applicable laws combating corruption, or bribery, while conducting its business activities, as set out in Nexans' Code of Ethics and Business Conduct (GMP1).

This procedure is to be adopted by all Nexans legal entities and implemented in countries in which they operate and/or do export sales. It is mandatory and applies to all Nexans employees throughout the Group. A breach of this Policy is unacceptable and may result in disciplinary action including dismissal.

A Nexans employee who is a director on a Board of a non-controlled joint-venture should encourage the joint-venture to adopt this Procedure as a model or use a similar Procedure.

1. Why is this Procedure relevant?

- Nexans could be held liable for the improper conduct of its employees but also in case one of its agents, consultants, distributors and other representatives or intermediaries (“**Representative**”) or subcontractors, suppliers, consortium, and/or joint-venture partners, prime contractors or clients, or customs clearing agents, freight forwarders, external lawyers assisting Nexans in its dealings with public officials (“**Business Partner**”) were found to have breached the laws in doing business with/ or on behalf of Nexans.
- Therefore, **Nexans must exercise caution** when appointing a Representative to help conduct or to jointly conduct its business activities. Similar attention must be paid when dealing with a Business Partner for the same reasons. And it is very important to keep the record of our verification process since Nexans can be requested by its Business Partners as part of their selection process, to justify of its corruption prevention actions; authorities around the world can do the same for investigation purposes.
- This procedure sets out the **minimum** rules and processes to be applied for preventing corruption and/or bribery in our daily business with Representatives and/or Business Partners and keeping justification thereof; where local laws, regulations or rules impose a stricter standard, that stricter standard must be applied.

2. Rules

- Nexans or its employees **cannot** make or propose a “**bribe**”, meaning a payment, favor, benefit or advantage of any kind **whether directly or indirectly through any of its Representative or Business Partner** to a public official, political party, employee or agent of a customer or of a bank or lending agency from the public or from the private sector with a view to obtain or retain business, favor, benefit or advantage of any kind.
- Likewise Nexans and its employees cannot accept any form of bribes.
- Apply the following rules and processes:

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4. 1st Part: Corruption Prevention Actions towards Representatives

A. Which Representatives are concerned?

Any commercial agent, distributor and other representative or intermediary, or consultant, assisting Nexans in its sales activities to a public customer or a private.

Note regarding distributors: the below process is to be applied to distributors who buy and resell Nexans products only in relation with an identified project (and not stocking distributors or wholesalers). For stocking distributors or wholesalers apply 2nd Part hereof.

If you are in doubt as to whether this procedure applies to your situation, check with your lawyer before acting.

B. Rules and process to be applied prior to the Representative appointment

The principle behind the Rules is that Nexans must formally ensure that the Representative is trustworthy and committed to business integrity

B1 Rules:

1. Representative must report and document on the services supplied to justify the remuneration paid to it
2. Representative must, unless a written derogation stating reasons is granted by Area VP Sales, (a) be a legal entity, not an individual and (b) be registered in the same country as the country where the services are rendered.
3. Contract with the Representative must be in writing and as per Nexans template, for a fixed term or identified project and no exclusivity must be granted by Nexans.
4. Level of remuneration, must be in line with market conditions and commensurate with services rendered; the commission percentage (or “success fee”) is discouraged and should be reasonably proportionate to the effort (man-hours) provided. The concept of “value for money” must be observed.
5. Any remuneration? to reach or exceed 1M€ or equivalent must be written and subject to the prior approval of the Management Board.

B2 Verification process to be applied – Documents to be collected:

1. Check absence of territorial/product scope conflicts with another Nexans existing Representative.
2. Collect the up-to-date certificate of incorporation (to verify legal existence).
3. Collect the filled-in and signed profile form (Schedule 1 hereto) describing the Representative, its resources, business activities as well as the services to be supplied and check reported content during interview/from internet research, including existence of other clients, reality of offices, number of staff, turnover, verification of absence of any link with government.
4. Collect an integrity check report: run at minimum a Dow Jones or other equivalent internet database integrity research. When the Representative lacks references, or when either the country of registration of the Representative or the country of execution of the business are considered as presenting a high risk of corruption (< 40 as per Transparency International Corruption Perception Index) and when the absolute amount of remuneration foreseen is high (e.g. over 500K€), it is required that a third party service provider performs a more in-depth integrity due diligence on the Representative's activity and reputation (*such as Thomson Reuters or other equivalent*).

C. Contract signing approval process

All Representatives subject to this procedure must be approved by the **Head of the Business Division/ Business Group or Area, and Subsidiary management** based on the following required documents which they must review:

- C1 The Documents B2.2, B2.3 and B.2.4 above have to be submitted for the approval; and
- C2 The completed approval form (Schedule 2 hereto); and
- C3 The written contract based on Nexans' template (Annex A for international agency agreement, Annex C for domestic agency agreement, Annex B for international distributorship agreement and Annex D for consultancy agreement) or reviewed by the legal department in case of any other type of Representative. Any deviation to these templates must be approved in advance by the Legal Department.

Representatives contracts must be signed by authorized representatives of the Nexans legal entity signing the contract (as per GMP 10).

D. Contract execution and renewal

- D1 **Collect Representative activity reports**, at least once a year and prior to year-end/contract renewal: as per the contract it is required that the Representative describes and documents his work to justify his commission in a written report. It must be safely kept and filed so as to enable to control and evidence reality of the services rendered.
- D2 **Payment of the remuneration of the Representative**¹, can only be made if:
 - documented by a written invoice; and
 - activity reports of D1 covering the invoiced services have been collected, as confirmed and transmitted by the manager in charge of the supervision of the Representative to the Chief Financial Officer or Controller of the Nexans contracting legal entity;
 - and in case of success fee, after payment from Nexans' clients has been received ("if and when" basis).
- ☞ If not all such conditions have been met, **Financial Department must block the payment of the remuneration** until completion. For the avoidance of doubt payments may only be made to the Representative's bank account located in the country where the Representative is registered.
- D3 **For contract renewals**, you must follow the Contract signing approval process (C above) with the following documents:

¹ Not applicable to distributors who do not receive remuneration from Nexans

- A new approval form;
- A written amendment, or if contract template has been amended, a new contract as per the template;
- Every (2) years newly updated Documents B2.2, B.2.3 and B.2.4.
- The annual declaration by the Representative of the amounts invoiced during the given year to each Nexans entity;

E. Red flags:

- ⊗ When the Representative has no office or personnel.
- ⊗ When the Representative is suggested or imposed by the client.
- ⊗ When payment of the commission is to be made to a bank account located in another country than the place of registration of the Representative).
- ⊗ When the level of commission is disproportionate to the effort (considering either percentage of the contract or the overall amount to be paid to the Representative).
- ⊗ When the Representative is a close relation of a public official/customer's employee or officer in the country where services are to be supplied.
- ⊗ When the Representative is reluctant to supply information and references about its activities.

If you encounter a Red flag situation, contact your legal department, the Compliance Program Officer or launch a comprehensive integrity due diligence.

F. Recordkeeping of Contract, services supplied and due diligence documentation

For as long as this Representative continues to work for Nexans and for a further period of **a minimum of 10 years** upon termination of the agreement:

F1 The following “Documents to be Retained”

All documents listed in C1, C2 and C3 and D1 above, i.e:

- F1.1 certificate of incorporation; and
- F1.2 profile form_(Schedule 1 hereto); and
- F1.3 integrity check report; and
- F1.4 the completed approval form; and
- F1.5 the contract; and
- F1.6 the activity reports.

F2 Documents to be Retained must be kept as follows

II.1 Original copies of the Documents to be Retained are to be kept by the President or Managing Director of the Nexans legal entity which is signing the contract who shall also be responsible to provide copies to the VP Sales & Marketing Managers designated in § B below.

II.2 Copies of the Documents to be Retained must be kept and posted into the dedicated the “GMP4 Diligence database” by the relevant Area VP Sales & Marketing Manager of the country of performance of the Representative contract (i.e. country of product delivery or project execution) and if applicable by the relevant Business Group VP Sales & Marketing Manager or Market Line VP Sales & Marketing Manager.

5. 2nd Part: Corruption Prevention Actions towards Business Partners

A. Which Business Partners are concerned by this process?

Nexans could be impacted in case any of its:

- SALES PARTNERS such as state-owned customers, consortium or joint-venture partners, subcontractors or prime contractors or service providers involved at any point in the sale's process, stocking distributors or wholesalers and/or its

-SUPPLIERS PARTNERS, such as its customs' clearing agents, freight forwarders, external lawyers assisting Nexans in its dealings with public officials (any public authority or administration, such as tax authority, customs etc),

any of which is hereafter referred to as the "Business Partner", was found guilty of an act of corruption. Therefore the following risk prevention measures are to be applied.

Note regarding distributors: the below process it also to be applied to stocking distributors acting as wholesalers or as buyer groups.

B. Rules and process to be applied

B.1 The Business Partner must be a legal entity, not an individual (unless written derogation stating reasons granted by Area or BG EVP):

- ▶ you must collect the certificate of incorporation

B.2 Get to know the Business Partner by collecting and reviewing legal and financial information about it prior to contracting with it:

- If you know your Business Partner has a good integrity reputation which is confirmed by a documented Corruption Prevention Program equivalent to this of Nexans: OK, you may proceed, but seek application of B.3 hereafter.
- If your Business Partner is new and does not have a Corruption Prevention Program you must carry out a due diligence including on each of the following aspects:
 - ▶ a legal, reputation and business activity check at least from internet research, including without limitation verification of legal registration, existence of other clients, reality of offices, number of staff, turnover, verification of absence of any link with government or customers employees or consultants (avoid conflict of interest).
 - ▶ If the country of registration of the Business Partner or the country of execution of the business are considered as presenting a high risk of corruption (< 40 as per Transparency International Corruption Perception Index), **and** the annual aggregated turnover at stake (whether purchase or sale) is of 500K€ and above it is required that a third party service provider performs an integrity due diligence on the Business Partner's activity and reputation.

Note: the due diligence reports must be updated every two years;

B.3 An anti-bribery clause shall be included in the contract with the Business Partner, substantially in the following terms and conditions:

"The Parties agree that, at all times in connection with and throughout the course of the Contract and thereafter, they will comply with and that they will take reasonable measures to ensure that, their subcontractors, agents or other third parties, subject to their control or decisive influence, will comply with applicable laws prohibiting improper, illegal and corrupt payment, including without limitation any laws implementing the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions."

C. Red flags

- When the Business Partner has no office or personnel.
- When the Business Partner is a close relationship of a public official/customer's employee or officer in the country where products or services are to be supplied.
- When the Business Partner is reluctant to supply information and references about its activities.

If you encounter a Red flag situation, then contact your legal department, the Compliance Program Officer or launch a comprehensive integrity due diligence.

D. Recordkeeping of contract and due diligence documentation

For as long as the Business Partner works with Nexans and for a further period of **a minimum of 10 years** upon termination of the contract

D1 The following “Documents to be Retained”

D1.1 The contract including all its amendments and renewals; and

D.1.2 A copy of the Business Partner Corruption Prevention Program equivalent to this of Nexans or all documents backing up the due diligence described in Chapter B above, if required.

D2 Documents to be Retained must be kept as follows

II.1 **Original copies of the Documents to be Retained** are to be kept by the President or Managing Director of the Nexans legal entity which is signing the contract who shall also be responsible to provide copies to the VP Sales & Marketing Managers designated in § B below.

II.2 **Copies of the Documents to be Retained must be kept, and posted in the GMP4 Diligence database**, by the relevant Area VP Sales & Marketing Manager of the country of performance of the Representative contract (i.e. country of product delivery or project execution) and if applicable by the relevant Business Group VP Sales & Marketing Manager or Market Line VP Sales & Marketing Manager.

Annexes:

1. **PROCESS MAP FOR CORRUPTION PREVENTION ACTIONS TOWARDS REPRESENTATIVES (1ST PART OF GMP4)**
2. **PROCESS MAP FOR CORRUPTION PREVENTION ACTIONS TOWARDS BUSINESS PARTNERS (2ND PART OF GMP4)**
3. **SCHEDULE 1 REPRESENTATIVE PROFILE FORM**
4. **SCHEDULE 2 REPRESENTATIVE APPROVAL REQUEST**
5. **ANNEX A - AGENCY AGREEMENT**
6. **ANNEX B - INTERNATIONAL DISTRIBUTORSHIP AGREEMENT**
7. **ANNEX C - DOMESTIC AGENCY AGREEMENT (SHORT FORM)**
8. **ANNEX D - CONSULTANCY AGREEMENT**

Latest revisions:

- *28 December 1999 : Chairman’s note on procedure concerning agents, consultants and international distributors contracts*
- *10 June 2002 : Update #1 – Creation procedure LP7 / n°2002-02GB*
- *15 March 2006 : Update #2 – Policy GMP 4 cancels and replaces procedure LP7*
- *25 January 2010 : Update #3*
- *1 September 2011 : (update #4)*
- *15 September 2014 : (update #5)*
- *30 June 2016 : (update# 6)*
- *March 1st, 2017: (update nr 7)*