

Code of conduct

Compliance guidelines

CONTENTS

- 3 PROHIBITION OF CORRUPTION AND INFLUENCE PEDDLING
- 6 ACCOUNTING CONTROL PROCEDURES
- 7 FAIR COMPETITION
- 8 EXPORT AND IMPORT REGULATIONS

PROHIBITION OF CORRUPTION AND INFLUENCE PEDDLING

Sonepar formally prohibits any form of corruption and influence peddling, directly or indirectly.

CORRUPTION

Bribery may be defined as the act of directly or indirectly offering, promising, authorising or granting an undue advantage (understood here to have the broadest possible meaning) to a person vested with a public or private role, with a view to engaging in or refraining from engaging in an action that is directly or indirectly within that person's remit. Corruption also covers activity whereby a person vested with a public or private role solicits or accepts an undue advantage with a view to engaging in or refraining from engaging in an act that comes directly or indirectly within his or her remit.

Bribery is prohibited in the public and the private sector.

Bribery is described as:

active when perceived from the briber's point of view: this means offering an advantage to a person/private sector company/state-owned company or government body to procure the accomplishment or lack of accomplishment of an act coming within the role of the recipient;

passive when perceived from the bribe-taker's point of view: this means a person/private sector company/state-owned company or government body asks for or accepts an advantage in order to accomplish or refrain from accomplishing in an action that is within the bribe recipient's remit.

Bribery can be direct or indirect (i.e. conducted through third parties such as agents, consultants, business finders, commercial intermediaries, etc.).

Bribery arises from the mere fact of offering or seeking an advantage, irrespective of whether the advantage was actually granted or accepted, and whether or not the expected action was carried out.

INFLUENCE PEDDLING

Influence peddling is prohibited behaviour that is close to bribery. However the purpose is not to procure the accomplishment or non-accomplishment of a given action but rather to procure an abuse of real or presumed influence so as to obtain honours, employment, contracts, or any other advantageous decision or situation from a public authority or office.

As in the case of bribery, influence peddling is described as:

active when engaged in by a person who offers an advantage of some kind to another person in a public office or private capacity where the latter has actual or presumed influence over public authorities or officials, in order to obtain advantages or favours of any kind from said authorities/officials

passive when engaged in by a person in a public office or private capacity who asserts actual or presumed influence and seeks or accepts an advantage of some kind in order to obtain advantages or favours of any kind for another person, which advantages or favours are presumed to be dispensed by the public authorities.

Most of the countries have their own anti-corruption legislation. In France, it is the Sapin II law applicable worldwide to Sonepar and all its subsidiaries.

GIFTS AND ENTERTAINMENT

Goodwill gestures by or to a Sonepar associate must be strictly limited and reasonable to avoid having such associate deriving personal benefits because of his/her position within Sonepar.

Such benefits include gifts and entertainment (except of low value), non-business-related trips, interest free loan to or from a business partner, the remittance of an excessive number of

promotional items and any other benefit

that is or could be considered as excessive, unreasonable or inappropriate. Local business practices with respect to gifts and entertainment cannot overrule Sonepar's anti-corruption guidelines.

FACILITATION PAYMENT

It is a payment, even small, made to a public officer to smoothen the process of a service to which the payer is otherwise legally entitled. Such payment is prohibited. In all cases, payment to a public official is prohibited.

USE OF INTERMEDIARIES / AGENTS

Sonepar is prohibiting the hiring and retention of intermediaries or agents (who, as an example, could be the link between Sonepar and Sonepar's customer) enhancing corrupt practices. Therefore, before using such intermediaries or agents, a due diligence must be conducted to assess the risk of being confronted with corruption.

CONFLICT OF INTEREST

All associates must always act in the best interests of Sonepar and must avoid any situation in which their personal interest, or those of family

members or friends, could conflict with their obligations towards Sonepar.

Any associate must be in a situation where he/she can take a fair and reasonable decision.

The following is strictly prohibited:

- Using your position or influence to get an improper personal benefit;
- Using Sonepar confidential information to get a personal gain;
- Taking advantage of inside information on Sonepar to get a personal gain;
- Having an interest in an outside business doing business with Sonepar where there is an opportunity for the associate to get preferential treatment.

ACCOUNTING CONTROL PROCEDURES

Sonepar is subject to accounting regulations and requirements compelling it to record accurately and faithfully all the assets and liabilities of Sonepar, together with all its business operations. Sonepar maintains its books and records accordingly and its accounts are audited annually by an independent audit firm.

All Sonepar associates must be cooperative in preparing and recording accurate and timely financial information and data to prevent and avoid corruption and influence peddling events.

Sonepar's Internal Audit team assists the Sonepar Internal Control team to achieve these goals.

All Sonepar associates must carry out and register all business transactions in order for Sonepar's management to generate accurate and timely financial reports.

FAIR COMPETITION

The Sonepar Group conducts business in an open and fair manner, respects the principles of free competition and requires its associates to strictly comply with all applicable laws and regulations relating to competition in all countries where it operates. The purpose of competition laws is to promote fair competition for the benefit of customers. At Sonepar, we take our obligations under these important laws very seriously.

MANDATORY RULES

All associates must deal honestly and fairly with all customers and suppliers, and must abide by the following rules:

- seeking advice before acting, whether through conversations, e-mails, text messages or other form of communication.
- competing vigorously, independently and fairly at all times.
- setting prices and commercial conditions independently, while considering production costs, related costs, associated services, client requests and market conditions.
- not entering into any agreement, understanding nor discussing with any competitor about pricing and allocation of customers, suppliers, territories or contracts.

- avoiding all unnecessary formal or informal business contacts with competitors.
- refraining to discuss sensitive matters with competitors, such as prices, rebates and allocation of customers, suppliers or territories.
- refraining to share business sensitive information at trade association meetings.
- refraining to take measures prohibiting competitors to enter into a market.
- using only publicly available information on competitors.
- not sharing with a customer prices and conditions offered to other customers.

ABUSE OF DOMINANT POSITION

Any company having a significant market share (over 30-35%) may be considered having a “dominant position” towards its competitors, and must therefore refrain to set excessive or discriminatory pricing, as well as conditions of sale having the effect of foreclosing the market to competitors.

SANCTIONS

The competition authorities may impose large fines and prison terms for violation of competition laws, both to companies and their employees, and such employees may be subject to disciplinary measures.

EXPORT AND IMPORT REGULATIONS

Sonepar has business relationships with commercial partners worldwide and therefore is subject to various rules and regulations on export/import controls of products it sells to its customers, or buy from its suppliers.

The products Sonepar is selling through exportation or importation from/to the country of origin may be subject to trade restrictions.

Restrictions could be on the type of products, country of origin of the products, country of destination of the products, final use of the products or end user of the products.

It is of the utmost importance for all Sonepar associates to abide by export and import regulations and Sonepar internal rules applicable in the country where he/she is performing services.

For any question, please contact Mr. Paul Trudel, Group Chief Compliance Officer: chiefcomplianceofficer@sonepar.com

December 2017

25 rue d'Astorg
75008 Paris – France
Tél. : +33 (0)1 58 44 13 12

www.sonepar.com

