



# CODE OF BUSINESS CONDUCT



June 2023

# MESSAGE FROM MANAGEMENT

## OUR STRATEGY

Since December 2019, MasterGrid Group has been pursuing its development to become a global and recognized player in the Energy sector. Combining the ability to listen to our customers and the expertise of our employees, we aim to jointly propose sustainable solutions that meet the challenges of tomorrow's power grids. Our approach to processes, risks and opportunities is based on 4 major areas:



Accompagnement des clients



Contribution des collaborateurs



Performance financière



Engagement environnemental

This growth approach can only be achieved in a responsible manner and is based on economic, social and ethical commitments that include the fight against corruption.

## OUR COMMITMENTS AND VALUES

MasterGrid is committed to comply with national and international anti-corruption laws, and to conduct its business in accordance with applicable legislation, regulations and standards. This commitment is based on an ongoing assessment of corruption risks and the implementation of preventive measures.

As Managing Directors, we wish to ensure that all MasterGrid employees and partners have access to comprehensive documentation on the practices to be adopted and the precautions to be taken in the course of our activities. This Code of Business Conduct therefore constitutes a reference framework for the Group that we must all respect in all circumstances.

Our anti-corruption policy is based on shared vigilance, preventive measures and the daily involvement of our employees and the exemplary actions of our management team.

We know that we can count on the responsibility of our employees to act transparently and with shared trust, in accordance with the Group's ethical values.

Ludovic Vallon

Loïc Zangara

Benoît De Turckheim

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## THE OBJECTIVES

### • Why a Code of Conduct?

The Code of Conduct is a reference document for compliance and ethics, and more specifically for preventing and combating corruption.

Within MasterGrid Group, we aim to fight corruption and any other form of unethical practice by adopting a zero-tolerance policy.

This Code of Conduct aims to:

- Strengthen the Group's performance and competitiveness,
- Protect it from reputational or economic damage resulting from a breach of integrity.

### • To whom does the Code of Conduct apply?

This Code of Conduct applies to all companies of "**MasterGrid Group**", comprising the parent company **MG Holding** and all its subsidiaries based in France and abroad (including, but not limited to, **Master Grid, MG Services, Ircamex, Atalys, KTHV and SHB**).

The Code of Conduct applies to all MasterGrid Group employees, i.e. directors, managers and employees, as well as temporary staff (temporary workers, work-study students, interns, volunteers, etc.).

It identifies risky situations that each employee could potentially encounter in the course of his or her duties and provides a guide on how to behave in each case.

It explains how risks of corruption may be encountered as part of Group activities and enables all contributors to have guidance on how to behave when they are facing situation with risk of corruption. This Code of Conduct specifies what is forbidden and what is allowed including situations where contributors shall seek assistance.

It does not constitute an exhaustive list of situations that may be encountered, so that is everyone's responsibility to use common sense and in case of problem to directly address to its line manager, jurists or person responsible for ethics and/or compliance in its affiliates or in the Group.

The Code of Conduct and its awareness / training modules are available to all on the intranet under this link: [Documents SMQ – Direction Générale](#).

## GENERAL FRAMEWORK

### • **What is corruption?**

Corruption is a widespread practice at both national and international level. It is a behavior that seriously undermines the efficiency of commercial relations and distorts competition, to the detriment of companies and consumers. That's why it is illegal and punishable by law in almost every country in the world.

Corruption is "the fact that a person invested with a specific function (public or private) solicits or accepts a gift or an advantage with a view to performing or refraining from performing an act falling within the scope that person's functions"<sup>1</sup>.

Corruption is a dishonest behavior involving at least two players:

- Those who act fraudulently by using his authority or his influence in order to promote other person in return of a benefit,
- Those who offer or provide this benefit.

In addition, a person who facilitate a corruption case is considered as accomplice and a person who receive an undue advantage is considered as receiver. Those persons may engage their responsibilities.

French law considers traffic of influence as corruption.

Act of corruption also exist:

- When those who offer undue advantage act through a third party (supplier, subcontractor, commercial partner, sales agent, etc);
- When those who benefit from undue advantage is not the final beneficiary (third party, parent, etc)
- When fraudulent act and undue advantage do not occurred simultaneously;
- When undue advantage is under a form other than payment of cash (service, reputation, material object, etc).

This Code of Conduct covers not only corruption itself, but also influence peddling, as well as all the practices punishable under the Sapin II Law, designated by the generic term "corruption", such as bribery, illegal interest-taking, misappropriation of public funds or favoritism<sup>2</sup>.

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<sup>1</sup>Definition used by "Transparency International France" in its Corruption Dictionary

<sup>2</sup>All these terms are defined in the Appendix.

- **National and international standards**

### **At national level**

The French law no. 2016-1691 of 9 December 2016 on transparency, fight against corruption and modernization of economic life, known as the "Sapin II Law", prohibits all forms of corruption and influence peddling by requiring the implementation of a system aimed at combating these practices.

Corruption is punished by severe criminal penalties, not only for corporate entities but also for individuals.

MasterGrid Group has taken the initiative of drawing up a Code of Conduct to combat behavior likely to be considered as corruption or influence peddling, in order to highlight its commitment in this area and guarantee its employees and business partners exemplary behavior.

### **At international level**

Most countries have an anti-corruption system similar to the French one. However, each country's anti-corruption legislation is different, and there are a number of specific features that need to be taken into account, particularly in the countries where MasterGrid Group companies operate.

By operating abroad, MasterGrid Group is likely to be subject to various foreign laws, such as the US Foreign Corrupt Practices Act 1977 or the UK Bribery Act 2010, or to an international convention to which countries have acceded.

In addition, certain laws have extraterritorial application, enabling the authorities of these countries to prosecute and punish acts of corruption committed by individuals and companies outside their borders.

This is why, in the event of any doubt as to the applicability of a foreign law or practice, employees must alert their line manager and, where applicable, the compliance officer, in order to check the applicable rules beforehand and to make sure they are respected.

*Please note: This Code of Conduct is not intended to cover all legislation, but it is essential to bear in mind that the fight against corruption and/or any other similar practice is certainly provided for by the foreign legislation in question, and that employees should familiarize themselves with the relevant texts.*

## Penalties incurred

In France, the penalties for corruption and influence peddling are at two levels:

<b>Business (legal entity)</b>	<p><b>Principal penalties:</b> fines of up to 5 million euros OR two times the proceeds of the offence.</p> <p><b>Additional penalties:</b> Confiscation, disqualification, closure, dissolution, exclusion from public procurement contracts, exclusion from concession contracts, compliance program and/or publication of the sanction.</p>
<b>Physical person</b>	<p><b>Principal penalties:</b> up to 10 years' imprisonment and a 1 million euros fine</p> <p><b>Additional penalties:</b> Confiscation and/or disqualification.</p>

A French company can also be condemned by foreign authorities: certain laws (notably USA and British) have a very broad definition of their scope of application.

For example, USA legislation considers that any transaction carried out in US dollars, or the storage of data linked to the offence on servers in the USA, can justify its jurisdiction, enabling it to convict French companies, even if they are not established in the USA. In these circumstances, the implementation of an anti-corruption system may constitute an element of mitigation of the sentence.

## RISK SITUATIONS AND RULES OF CONDUCT

Given the tightening of regulations and sanctions in the fight against corruption, all MasterGrid Group employees must be particularly vigilant and guard against any risk of being implicated, directly or indirectly, in an act of corruption or any other dishonest behavior punishable by law.

In this way, employees will avoid links with third parties that could cast doubt on their integrity. They must neither grant nor receive undue advantages from a third party with the aim of obtaining or maintaining a business transaction or preferential treatment.

This section of the MasterGrid Code of Business Conduct covers the rules of conduct associated with the following risk situations:

1. Customer relations involving public or private contracts / markets
2. Service providers
3. Recruitment
4. Gifts and invitations
5. Facilitation payments
6. Patronage and sponsorship
7. Conflicts of interest
8. Export control

The situations described below are not exhaustive of the risk situations that employees may encounter in the course of their duties. In the event of any doubt regarding the assessment of a situation, all employees are invited to contact their line manager and, if necessary, the Compliance Officer.

# 1. Customer relations involving public or private contracts / markets

## Forms of corruption



In the course of its business, MasterGrid Group concludes and executes contracts for private customers and public authorities throughout the world.

As soon as a business relationship is entered into, acts or practices taking the form of an **undue advantage** can create a risk of **corruption**, **influence peddling** or **favoritism**, aiming at:

- Favoring the award of a contract or procurement contract,
- Being in a privileged position with regard to award criteria, a prequalification phase or contractual mechanisms,
- Speeding up or obtaining favorable decisions on quantity approvals, amendments, claims, deadline extensions, additional work, service orders, payment, acceptance of work, removal of reservations, etc.

This risk of corruption exists at all stages of the commercial relationship with the customer, whenever a person holding any authority or decision-making power decides to monetize it improperly.

## How to act



### **Prohibition on granting undue advantage.**

During the negotiation and execution of public or private contracts, no act in the form of an illegal payment or undue advantage may be carried out, directly or indirectly, in favor of a representative of a public or private client.

### **Vigilance obligation of employees.**

Should an employee be confronted with a request for illegal payment or undue advantage from a customer or a customer's representative, the employee must immediately alert his or her line manager and the compliance officer.

The same obligation applies if an employee becomes aware of such practices on the part of other employees, co-contractors or business partners.

In the event of a claim for undue benefits, MasterGrid Group may take the following action against the claimant:

- Explanation of the Group's business ethics rules,
- Reminder of the risk of criminal sanctions for the claimant, the employee, the customer's company and MasterGrid Group,
- Request for written wording with the agreement of the claimant's line manager,
- Alert the claimant's or customer's line management.

## 2. Service providers

### Form of corruption



For the purposes of its business activities, MasterGrid Group may use service providers (suppliers, subcontractors, external consultants, sales agents, distributors, etc.). This practice is common and legitimate when the use of a service provider is appropriate to the nature of the service provided, and payment is commensurate with the service rendered.

However, such use can also conceal a situation of corruption, particularly in the case of **excessive remuneration or invoicing** that could characterize a **hidden commission**.

Employees who do business with one or more service providers may be faced with a situation in which the service provider commits acts of corruption that could have repercussions for the MasterGrid Group, exposing its reputation or liability as a **co-perpetrator or accomplice**.

### How to act



#### Legitimacy of using a service provider

The use of the service provider must correspond to a genuine need on the part of the MasterGrid group, at a price consistent with the services rendered and the performance of legal and legitimate services.

#### Verification prior to entering into a business relationship

Before entering into a business relationship with a business partner, it is necessary to carry out preliminary checks on the latter's integrity:

- Reputation,
- Any current or previous prosecutions and/or convictions,
- Skills and resources in the required field,
- Previous or current contractual relations with a public official,
- Verification of the company's beneficial owners when the partner is a legal entity,
- The compliance policy of the partner concerned and/or the anti-corruption legislation in force in the partner's country,

The employee must pay particular attention when the partner:

- Seems unprofessional or understaffed;
- Requests to pay or be paid in cash, upfront, or in a country other than the place of residence or business;
- Requests to remain anonymous or lacks of transparency;
- Is appointed or recommended by a public official;

- Requests remuneration or reimbursement for abnormally high expenses;

### **Clear, documented contractual relationship**

The contract between MasterGrid and the service provider must include:

- Clear and precise definition of services ordered,
- Consistent and reasonable remuneration based on market prices,
- Transparent payment method,
- Follow-up on services provided,
- Unequivocal undertaking by the service provider to comply with MasterGrid Group's ethical rules,
- MasterGrid's right to audit services provided

All documents relating to the contractual relationship with the business partner must be kept for the duration of the business relationship in order to facilitate subsequent auditing or verification (contracts, invoices, payments, etc.).

## 3. Recruitment

### Form of corruption

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The recruitment of a new employee, even on an occasional basis, can be a risky situation and could potentially give rise to an act of corruption if MasterGrid Group were to be granted **an undue advantage by a third party in return for hiring** a particular candidate.

### How to act

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MasterGrid Group employees with HR functions and managers who have an impact on the hiring of a candidate must be particularly vigilant during the recruitment process.

Any undue advantage (payment of a sum, gift or invitation) offered by a third party or by the candidate himself in exchange for the recruitment of this candidate is prohibited.

If an employee of MasterGrid Group, and in particular MasterGrid Group recruiter, finds that this situation has arisen, he or she must refuse the proposal and must not recruit the candidate.

If the employee still wishes to recruit the candidate because that person is the ideal candidate, special care must be taken to ensure that the recruitment does not become an act of corruption. The employee must justify the choice by demonstrating objectivity and impartiality, based on the candidate's skills, experience and qualifications.

## 4. Gifts and invitations

### Form of corruption

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Gifts and invitations can take many forms, and are generally considered as advantages or favors offered without consideration or compensation. In principle, they are ordinary acts of business life, offered or accepted as a courtesy or for commercial purposes. In some countries, they may even be customary.

Gifts or invitations can be objects, expenses or business meals offered as part of a professional relationship, invitations to cultural or sporting events, or even trips that combine business and leisure.

These gifts and invitations will be found mainly in relations with suppliers to MasterGrid group, but also in relations with its customers or business partners (subcontractors, service providers, etc.).

In some cases, they may have a high economic value and be made frequently. Great care must be taken to ensure that this practice does not create a **conflict of interest**, or be assimilated to **an attempt or an act of corruption**: the gift/invitation must not be perceived as a **reward for the fact that the company has been selected as the successful bidder for a contract**, or exercised with the aim of obtaining an **undue advantage** or exerting any **unjustified influence on any official action**.

### How to act

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Such gifts or invitations offered by suppliers, customers, subcontractors or partners of MasterGrid Group, or made to them by employees of the MasterGrid Group, must be accepted or given with due care.

#### **Authorized by locally applicable law.**

The gift or invitation must not be prohibited by locally applicable law, notably because of the status of the recipient.

#### **No consideration or compensation.**

The gift/invitation must be an act of courtesy without inducing any consideration or compensation on the part of the recipient. Particular attention must be paid to gifts or invitations offered to a person with whom a business relationship is contemplated or established, as well as those offered prior to a decision being taken on the awarding, negotiation or renewal of a contract or public procurement, particularly in the context of a call for tenders.

The occurrence or value of the gift/invitation should not raise doubts:

- as to the good faith of the person offering it;
- or the objectivity of the person receiving it;
- or inspire any doubt as to a possible conflict of interest or act of corruption.

**As part of a business relationship.**

The gift/invitation must fall within the scope of professional relations only, and its value must correspond to an ordinary value according to local standards.

MasterGrid Group employees must refuse any gifts or invitations made on a personal basis or to friends, relatives, spouses, children or other parties related to the employee.

**Be careful about the reason for the gift/invitation.**

Employees must use their judgment and common sense to assess the suitability of a gift/invitation.

Any employee in doubt about the value or compliance of a gift or invitation should ask his or her line manager or the Compliance Officer to assess whether the gift or invitation can be accepted or should be refused.

An excessive or inappropriate gift or invitation must be refused courteously, explaining that MasterGrid Group's ethical rules do not authorize the acceptance of such a gift or invitation, and that it could be considered as an act of corruption leading to serious criminal prosecution for the claimant, the employee and the company.

## 5. Facilitation payments

### Form of corruption

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A facilitation payment is the payment of a small sum, directly or indirectly, to a public official for the completion of administrative formalities, to which the applicant is in any case legally entitled.

More generally, it's a "**small bribe**" paid to a public official to secure or speed up the performance of customary acts or services, or necessary formalities (obtaining a license, permit, speeding up an administrative procedure, obtaining exemption from customs duties, etc.).

The administrative formalities involved in this type of payment do not constitute privileged or undue treatment, but the normal performance of the work for which a State remunerates its public officials.

Recourse to these practices **weakens the ethical values** of the company practicing them, which could find itself exposed to more frequent and significant requests. As a result, they are considered corruption and are prohibited in many countries.

### How to act

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#### Ban on facilitation payments

Facilitation payments, regardless of their frequency and amount, and even if they are common practice in certain countries, are strictly prohibited and are treated as acts of corruption liable to criminal prosecution.

Any request for facilitation payments by a public official must be refused by MasterGrid Group employees, who will explain to the claimant that the request is contrary to the Group's ethical rules and illegal, thereby exposing the claimant, the employee and MasterGrid.

#### Transparency in the event of solicitation

If a public official insists, the employee must ask that person to formulate the request officially, in writing and countersigned by a line manager. If this written request is obtained, the employee must inform his or her line manager as well as the Compliance Officer in order to have MasterGrid's rights respected through legal channels.

**Integrating the customer as a stakeholder**

It is advisable to involve the customer and inform him/her of the existence of such requests, which can jeopardize the progress of the project, unless the customer decides to stop them.

The sales contract with the customer may also include assistance in obtaining the various administrative authorizations, or the handling of these directly by the customer.

## 6. Patronage and sponsorship

### Form of corruption



**Patronage** is material or financial support provided by a company, without any direct economic consideration, to a non-profit organization in support of an activity of general interest (art, culture, humanitarian projects, research, etc.).

It takes the form of a donation to a public-interest organization, and aims to enhance the corporate image of the sponsor.

**Sponsorship**, on the other hand, is financial or material support given to an event, an entity or an individual by a partner in exchange for a direct benefit linked to the event or entity supported: visibility of the "sponsor" company's values and increased brand awareness. It's a communication expense, a commercial intention with a self-interested action.

These actions are generally legal in many countries, but can be widely criticized when **they are linked to illicit compensations** from which the company could benefit directly or indirectly.

### How to act



#### Legitimacy of patronage or sponsorship

The aim of patronage or sponsorship must be legitimate, and must not be used to obtain an undue advantage or to exert unjustified influence on any official action. The purpose of the operation must be relevant to the company's communication strategy.

The context in which patronage or sponsorship is used, the amount involved and the frequency, must not cast doubt on the honesty of the giver and the impartiality of the recipient.

The practice should be avoided:

- when carried out for the benefit of an entity that has issued a call for tenders to which the MasterGrid group has bidden or wishes to bid, or
- when MasterGrid is about to conclude a contract with the entity receiving the sponsorship or patronage.

#### Enhanced transparency

All sponsorship projects must be communicated by the employee concerned in order to obtain approval from

- his/her line manager,
- the Communication manager and
- MasterGrid's general management.

Any patronage or sponsorship must be formalized, documented and accounted for in MasterGrid's corporate financial statements.

## 7. Conflict of interest

### Form of corruption

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Conflict of interest refers to any situation where the personal, financial or business interests of a MasterGrid Group employee may conflict with those of the MasterGrid Group.

In such a situation, the employee's interests could influence or appear to influence the way in which the employee carries out his or her duties and responsibilities within the MasterGrid Group.

In other words, the employee's interests could influence the objectivity of the decisions he or she makes or recommends, or the opinions he or she expresses in the course of his or her duties.

### How to act

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#### Identifying potential conflicts of interest

All employees must ask themselves whether they have any links, personal or otherwise, of any kind whatsoever, that could influence decisions and opinions made in the course of their duties within the MasterGrid Group.

This situation may arise, for example, when the employee:

- engages in a professional activity outside the MasterGrid Group;
- has relatives who work for suppliers (or subcontractors, service providers, etc.) in his or her department;
- holds a financial interest in a customer, supplier, service provider, partner or competitor of the MasterGrid group.

#### Enhanced transparency

If an employee encounters a conflict of interest situation in which he or she is directly or indirectly involved, the employee must alert his or her line manager and, if necessary, the Compliance Officer, so that appropriate action can be taken.

The employee must also refrain from taking part in debates and decision-making on the subjects concerned by the conflict of interest until a solution has been found.

## 8. Export control

### Form of corruption

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**Export control** is a major issue for the MasterGrid Group. Strictly speaking, it does not constitute a corruption risk, but is an integral part of the Code of Business Conduct insofar as the unauthorized export of certain products or materials, whether manufactured by the MasterGrid Group or its suppliers, constitutes an offence which may result in customs and criminal sanctions.

In addition to criminal sanctions, failure to control exports may expose the MasterGrid Group to the following situations:

- Loss of trust with authorities and customers,
- Black listing or exclusion by partners,
- Financial losses and penalties,
- Damage to business reputation.

These situations are the result of exports which do not comply with national, European and American regulations, and which have been subject to an absence or lack of control with regard to the exported product, the export destination, the end user and/or the end use.

### How to act

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#### **Product verification with supplier**

As product classification has a major impact on compliance with Export Control regulations, the employees concerned must request and obtain product classification and status from their supplier or directly from the manufacturer.

#### **Enhanced vigilance for export operations**

For each export operation, it is necessary to check compliance with the following aspects:

- product or technology,
- destination,
- intermediaries / end user,
- end use.

#### **Reservation clauses in sales contracts**

In order to cover the risks associated with the end user and end use of exported products, MasterGrid Group employees are required to include a reserve clause in sales contracts.

In the event of a risk of proliferation, collaborators must also provide a letter of commitment from the customer, including a certificate of non-re-exportation.

## IMPLEMENTING THE CODE OF CONDUCT

- **Role of MasterGrid Group's entities**

All entity of MasterGrid group are responsible to ensure compliance with the Code of Conduct.

They shall evaluate risk of corruption they are exposed to dependently of the country of commercial activity, nature of their activities and their contractors. This evaluation is based on method in connection with compliance policy.

- **Role of employees**

The MasterGrid Group relies on all its directors, managers and employees to promote its culture of integrity and ensure that the Code of Conduct is properly applied. Each and every employee has a role to play in implementing this system to effectively combat corruption.

All employees must respect and apply these rules, according to their functions and responsibilities.

Each employee represents the MasterGrid Group and embodies its values throughout the world. As such, each employee must be vigilant in his or her own business dealings, as well as in his or her family and friends, within his or her team, and with regard to the people for whom he or she is responsible.

- **Internal warning system**

If an employee is aware of a situation presenting a risk of corruption, whether estimated or proven, that employee must report it as soon as possible to his or her line manager, or use the internal whistle-blowing procedure.

An internal alert system is available to all MasterGrid Group employees and partners (suppliers, subcontractors, service providers, etc.). This tool makes it possible to report, in complete security and confidentiality, any behavior or situation that could present a risk of corruption for the MasterGrid Group.

In accordance with the MasterGrid Group's Internal Regulations and Law 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernization of economic life, any employee reporting a situation of corruption will benefit from the status and protection due to whistleblower status.

- **Disciplinary sanctions**

Any action taken in breach of this Code of Business Conduct may result in disciplinary proceedings against the employee concerned. Depending on the seriousness of the breach, it may constitute misconduct liable to justify the application of the disciplinary sanctions provided

for in the Internal Regulations, without prejudice to any legal action that may be taken by the MasterGrid Group.

In addition, any action taken in violation of applicable anti-corruption laws and regulations is liable to result in disciplinary and criminal penalties for the employee concerned.

Appropriate sanctions and proceedings will be those provided for by the law applicable to the employee concerned, and will be taken in compliance with the applicable legal procedures and in particular with the rights and guarantees applicable to the employee concerned.

## APPENDIX

### MasterGrid Group or MasterGrid

In this document, the term "MasterGrid Group" or "MasterGrid" refers to the group of companies comprising the parent company MG Holding and all its subsidiaries (including, but not limited to, **Master Grid, MG Services, Ircamex, Atalys, KTHV and SHB**).

### Public official

A public official is a person entrusted with public authority, in charge of a public service mission or invested with a public elective office, for that person or for another person.

Acts of corruption are punished more severely in the case of public officials.

## LIST OF OFFENCES PUNISHABLE UNDER THE FRENCH PENAL CODE AND/OR CODE OF COMMERCE

### Abuse of corporate assets

*(Article. L. 241-3, 4°, and L. 242-6, 3° of French Commercial Code)*

Abuse of corporate assets is constituted when the director of a commercial company knowingly use assets of this company for personal purposes, contrary to the company's interest.

### Bribery

*(Article 432-10 of French Penal Code)*

Bribery concerns in particular any person holding public authority or entrusted with a public service mission.

It is characterized as much when the author acts for personal enrichment as when acting for disinterested purposes.

For this person, it consists in:

- either receiving, demanding or ordering to be collected, as duties or contributions, public taxes or levies, a sum which that person knows is not due or exceeds what is due;
- or granting, in any form and for any reason whatsoever, an exemption or relief from duties, contributions, public taxes or levies in violation of legal or regulatory texts.

### Conflict of interest

*(Law no. 2013-907 of 11 October 2013)*

Conflict of interest refers to any situation of interference between a public interest and public or private interests that is likely to influence or appear to influence the independent, impartial and objective exercise of a function.

Conflict of interest is not a penal offence. Illegal taking of interest is the penal translation of a conflict of interest when it is proven.

### Corruption

*(Articles 432-11 et seq. of French Penal Code for passive corruption and articles 433-11, 445-1 et seq. of French Penal Code for active corruption)*

Corruption is the act of soliciting or accepting a gift or advantage from a person in a public or private position in order to perform or refrain from performing an act within the scope of that person's duties.

There are two forms of corruption: active corruption (the act of offering a gift or advantage of any kind to the person vested with a specific function) and passive corruption (the act of the person vested with a specific function accepting the gift or advantage).

### **Extortion**

*(Article 312-1 of French Penal Code)*

Bribery is the fact to obtain by violence, threat of violence or constraint, the signatory, weaver, disclosure of commercial, industrial or professional secret, cash remittance or any material good.

Bribery is sanctioned with prison sentence of seven years and a fine of 100 000 euros.

### **Favoritism**

*(Article 432-14 of French Penal Code)*

Also known as the offence of granting an unjustified advantage, favoritism is the act of any person involved in the process of awarding a public procurement contract (public contracts, concessions or public service delegations) to grant a third party an unjustified advantage in violation of provisions guaranteeing freedom of access and equality of candidates in the award of these contracts or titles.

### **Illegal taking of interest**

*(Article 432-12 of French Penal Code)*

Illegal taking of interest concerns in particular any person holding public office or entrusted with a public service mission, or a person holding a public elective office.

For this person, it consists in taking, receiving or retaining, directly or indirectly, any interest whatsoever in a company or in a transaction for which he or she is, at the time of the act, wholly or partly responsible for ensuring the supervision, administration, liquidation or payment.

### **Influence peddling**

*(Articles 432-11 et seq. and 435-10 et seq. of French Penal Code)*

Influence peddling is the act of a person receiving or soliciting donations with the aim of using his or her influence over a third party to make a favorable decision.

Unlike corruption, influence peddling involves three players: the beneficiary (the person who provides advantages or gifts), the intermediary (the person who uses his or her position to influence) and the target, who holds the decision-making power.

### **Misappropriation of public funds**

*(Article 432-15 of French Penal Code)*

Misappropriation of public funds is the act whereby a person entrusted with public authority or a public service mission destroys, misappropriates or removes public or private funds, effects, securities or any other object entrusted to that person by virtue of his or her duties or mission.

## **Master Grid**

Simplified joint stock company whith capital of 28 000 100.00 €  
Legal seat : 2 rue de la Néva, 38 000 Grenoble - France

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