



sonepar

COMPLIANCE POLICIES AND PROCEDURES MANUAL



JUNE 2020

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INTRODUCTION

1. PURPOSE OF THIS MANUAL

The **Group Code of Conduct** is the cornerstone of global compliance and integrity within Sonepar.

After the first issue in 2017, an updated version was released across the Group in early 2020. It was enriched on the basis of the latest regulatory developments, best practices and Sonepar's corruption and influence peddling risk mapping.

Sonepar expects its Business Partners to commit to the same high level of ethics. As such, specific standards are set out in a dedicated **Supplier Code of Conduct** and the Group has deployed procedures and tools to assess the integrity of its Business Partners.

The purpose of the Compliance Policies and Procedures Manual (the "**Manual**") is to document Sonepar's Compliance Policies and Procedures deriving from the Code of Conduct. The Manual constitutes an integral part of the Code of Conduct.

The Code of Conduct and the Manual are part of Sonepar's Compliance Program.

They will be supplemented and illustrated through different types of trainings, including in-person presentations and/or e-learning sessions. These training programs will enable relevant target participants to identify and manage the integrity risks Sonepar is exposed to, including without limitation when it comes to corruption and influence peddling.

"All committed, all compliant."



Marie-Christine COISNE-ROQUETTE
Chairman



Philippe DELPECH
Chief Executive Officer

2. CONTENT OF THE MANUAL

The Manual is implemented to address the risks identified in Sonepar's risk mapping, as updated from time to time, including, in particular, corruption and influence peddling risks.

The main objectives are to:

- explain how certain risks such as corruption and influence peddling may arise in the conduct of Sonepar's activities;
- set out the rules all associates must follow in their day-to-day activities;
- provide resources to help associates handle potentially high-risk situations; and
- highlight the circumstances in which associates must seek assistance.

The Manual contains several policies, procedures and appendices. These appendices form an integral part of this Manual and are available on *MySonepar* and local intranets. They are also available upon request to the Legal, Risk and Compliance Network.

3. FORMAT AND UPDATE

The Manual is issued in electronic format and is available on *MySonepar* and on local intranets. It will be available in different languages, as relevant for the Group.

It is for internal use only and shall not be communicated outside the Sonepar Group without the General Counsel's prior written approval.

The Code of Conduct and the Manual will be reviewed and updated on a regular basis in light of lessons learned, evolving regulations and updated risk mapping.

All capitalized terms are defined in the Manual.

4. SCOPE

The Manual applies across Sonepar to **all associates**, whatever their function, in **all operating companies worldwide**, including without limitation controlled joint ventures.

Where Sonepar is a minority shareholder in a joint venture, Sonepar seeks to ensure that the majority shareholders and management abide by the principles of the Code of Conduct and the Manual and apply equivalent standards.

Sonepar expects **all Business Partners** to abide by standards at least equivalent to those of Sonepar.



5. HOW DOES THE MANUAL RELATE TO LOCAL POLICIES AND PROCEDURES?

Sonepar operates in dozens of countries, each with specific legal and regulatory requirements.

Sonepar has adopted this Manual to provide an **overview** of the commitments, rules and processes that govern its daily global operations. In some countries, more stringent laws and regulations may apply.

If the Manual conflicts with a local policy or procedure, the Manual prevails, unless the local policy or procedure is more restrictive.

In some cases, this Manual requires Sonepar Regions to adopt regional policies and procedures.



6. RESPONSIBILITIES FOR DEPLOYMENT

All associates are expected to be familiar with the Code of Conduct and the Manual, to comply with their principles and rules, and to behave in an ethical manner in all circumstances.

Managers have additional responsibilities and play a key role in ensuring compliance, including without limitation:

- discussing and promoting the principles and rules set out in the Code of Conduct and the Manual with their teams and Business Partners;
- establishing and maintaining a climate of trust that makes associates feel comfortable in raising concerns;

- leading by example;
- ensuring effective deployment of the Code of Conduct and the Manual and responding to questions; and
- consulting the Legal, Risk and Compliance Network, when in doubt, and reporting and escalating concerns.

Policies and procedures contained in the Manual are mandatory. Their proper deployment will be regularly audited.

7. MAKING THE RIGHT DECISION

The Code of Conduct and the Manual are designed to guide associates in dealing with various situations they may face in their day-to-day business activities and which might pose integrity or ethical questions.

However, all situations they may encounter cannot be anticipated. Making ethical decisions can seem complicated as it often involves making decisions that go beyond simply respecting a set of rules. In such situations, we are all expected to use our best judgment to make good decisions and consult identified resources for advice.

MAKING THE RIGHT DECISION

When in doubt, always ask yourself the following questions:

Is what I am doing legal and am I authorized to do it?	NO, NOT SURE
YES	
Is it in line with the Code of Conduct and other internal policies procedures?	NO, NOT SURE
YES	
Does this reflect well on me, my business unit and/or Sonepar	NO, NOT SURE
YES	
Is it the right thing to do and am I leading by example	NO, NOT SURE
YES	

 **Seek advice!**

If the answer to any of the above questions causes you concern, do not keep it to yourself. Speak to your manager, someone from the Legal, Risk & Compliance Network, your HR Department or other Sonepar resources. They will be able to assist you!

8. NON-COMPLIANCE

Failure to respect the Code of Conduct and the Manual may have major adverse consequences. These consequences can be serious not only for Sonepar but also for the involved individuals and can include, among others, disciplinary sanctions, fines, imprisonment and reputational damage.

All violations of the Code of Conduct and/or the Manual are treated as serious matters. **Non-compliance may result in disciplinary sanctions, up to and including termination of employment, and potential legal actions against the offenders.**

1

IMPLEMENTATION RULES



POLICY 110



GENERAL OVERVIEW OF SONEPAR'S COMPLIANCE PROGRAM

*Scope: Applicable to all Sonepar Group ("Sonepar") associates
Entry into force: June 15, 2020
Version 1*





POLICY 120

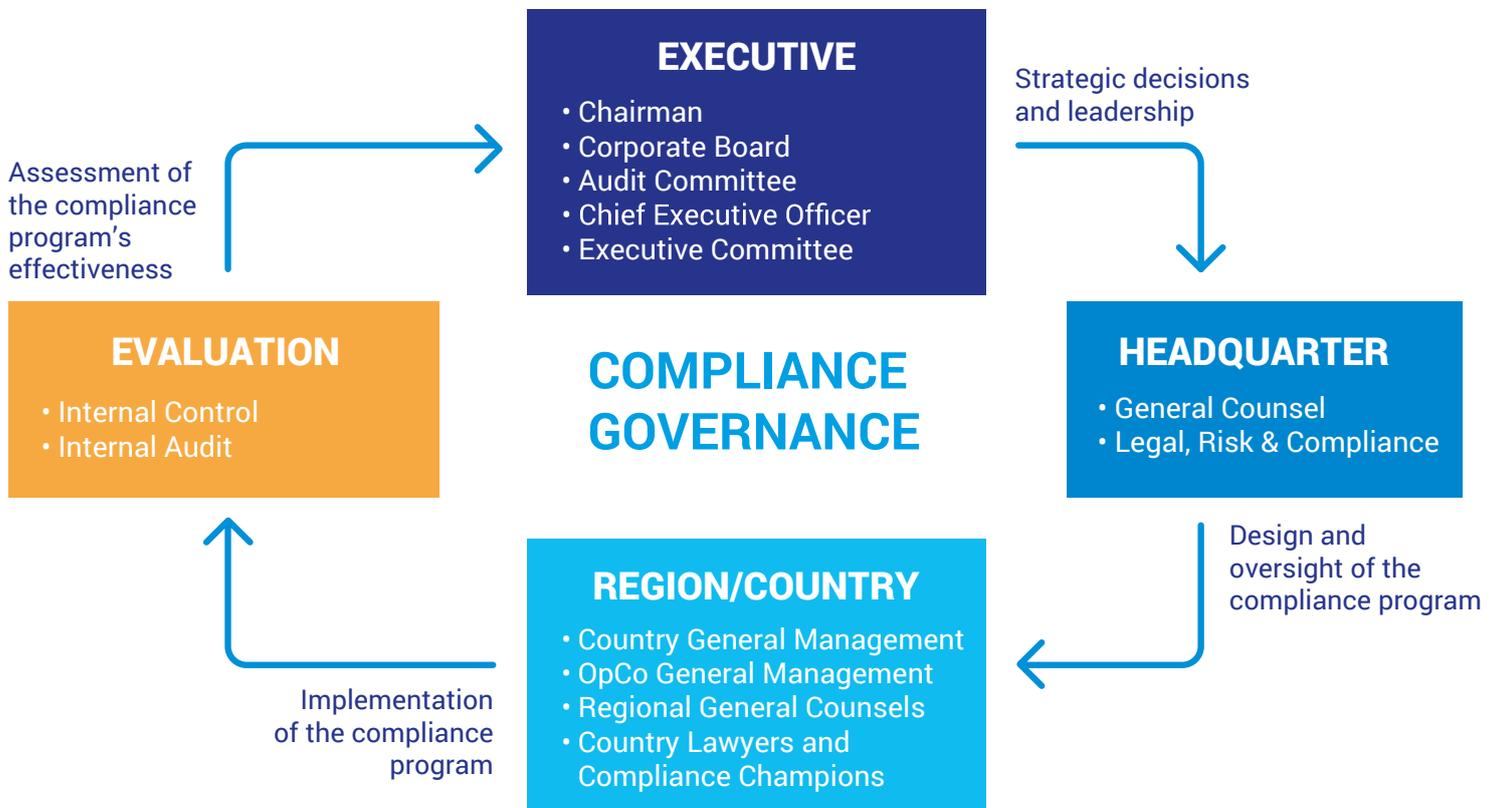
COMPLIANCE ORGANIZATION AND RESPONSIBILITIES

Scope: Applicable to all Sonepar Group ("**Sonepar**") associates

Entry into force June: 15, 2020

Version 1

Sonepar has set up a compliance organization with a view to disseminating a culture of ethics and compliance



1. EXECUTIVE RESPONSIBILITIES

1.1 Responsibilities of the Corporate Board and Audit Committee

Compliance is a topic raised regularly in Corporate Board and Audit Committee meetings.

Under the Internal Rules of Procedure of the Corporate Board:

- The **Corporate Board** is responsible for, amongst other things:
 - reviewing the reports of the Audit Committee, the external auditors, and the internal control teams as well as risk management reports (in particular, compliance risks); and
 - assessing policies and procedures.
- The **Audit Committee** is responsible for, amongst other things:
 - providing oversight of the Sonepar's governance, risk management, and internal control practices; and
 - providing advice and guidance on the adequacy of Sonepar's initiatives for:
 - values and ethics;
 - governance structure;
 - risk management;
 - internal control framework;
 - oversight of the internal audit activity, external auditors, and other providers of assurance; and
 - financial statements.

1.2 Responsibilities of the Chairman and Chief Executive Officer ("CEO")

Under Sonepar's Governance Charter:

- The **Chairman** is in charge of ensuring that Sonepar's ethics and integrity are upheld. He/she ensures that appropriate rules and procedures are in place to prevent and sanction unethical behaviors such as fraud, corruption and influence peddling.
- The **CEO** is in charge of applying Sonepar's values, the Governance Charter, the Code of Conduct, the Manual and any rules or regulations, raising awareness thereof and implementing relevant policies and procedures across the various operating companies.

2. HEADQUARTER RESPONSIBILITIES

2.1 Responsibilities of the General Counsel

Irrespective of his/her other responsibilities, the **General Counsel** is responsible for coordinating the effective implementation of Sonepar's Compliance Program and its dissemination throughout the Group. He/she reports to the CEO and is a member of the Sonepar Executive Committee ("**SEC**"). The General Counsel chairs the Sonepar International Legal & Compliance Committee ("**SILCC**").

The General Counsel shall prepare and submit to the SEC, the Audit Committee and the Corporate Board periodic reports regarding:

- The preparation, implementation and follow up of the corruption and influence peddling risk mapping as well as any other compliance-related risk assessment;
- The implementation of Sonepar's Compliance Program within the Group;
- The investigations conducted and the violations identified as well as the corrective actions implemented as a result thereof, as applicable;
- Threatened or ongoing government investigations and queries; and
- Significant evolutions of relevant laws, regulations and case law, which may have a significant impact on Sonepar's risk profile, reputation, financial performance and/or business activities.





2.2 Responsibilities of the VP Legal and Compliance

The Group Compliance function is supervised by the **VP Legal and Compliance**, who reports to the General Counsel. This position was created in 2019 and covers, among others, the role and responsibilities that were previously held by the Chief Compliance Officer.

Irrespective of his/her other responsibilities, the VP Legal and Compliance's duties are to disseminate a culture of ethics and compliance across the Group and to ensure that management and associates abide by (i) applicable laws and regulations and (ii) Sonepar's Code of Conduct and Manual in order for Sonepar's business to be conducted in compliance with professional standards and accepted business practices, carried out diligently, loyally and ethically.

Responsibilities of the VP Legal and Compliance include, among others, with the support of Regional General Counsels and Compliance Champions:

- Providing inputs to Sonepar's risk mapping, including on Corruption and Influence Peddling;
- Developing, regularly reviewing and updating Sonepar's Compliance Program to ensure it is up-to-date and meets current standards including the implementation of the French Sapin II law;
- Periodically reviewing and revising the Manual;
- Regularly reviewing the implementation of Sonepar's Compliance Program (including training) within the various Regions and Countries and, in particular, the policy and procedure applicable to Business Partners' assessment, in coordination with the VP Risks and Insurance;
- Ensuring that Sonepar's Compliance Program is communicated clearly and adopted and understood by Sonepar associates;
- Supervising the Compliance Champions network;
- Monitoring compliance of Sonepar's activities and associates with Sonepar's policies, including without limitation the Code of Conduct and the Manual;
- Receiving ethical alerts from associates or third parties through the dedicated whistleblowing channel and coordinating the investigation process led by Regional General Counsels or Compliance Champions;
- Preparing an anonymized quarterly reporting on the ethical alerts;
- Following up, jointly with the Internal Control Department, on the quarterly fraud, corruption and influence peddling reports; and
- Acting as principal point of contact on government investigations and queries.

3. SUPPORT FUNCTIONS / REGIONS / COUNTRIES RESPONSIBILITIES

3.1 Responsibilities of the SEC members

3.1.1 Support functions

Each **support function SEC member** is responsible for the implementation of the Compliance Program in his/her area of responsibility.

3.1.2 Regional Operational Leadership

Each **Regional President** is responsible for the implementation of Sonepar's Compliance Program in the Region falling under his/her responsibility.

To that effect, each Regional President shall:

- Appoint, after consultation and with the agreement of the General Counsel, and supervise a Regional General Counsel (or, depending on local context, heads of Legal and Compliance at Country level), define its compliance organization and allocate dedicated means and resources for the implementation and management of Sonepar's Compliance Program;
- Provide inputs as needed to Sonepar's risk mapping including on Corruption and Influence Peddling;
- Put in place specific policies and procedures, or additional policy guidance, if required and/or necessary;
- Give any specific authorization/approval required under applicable policies and procedures; and
- Check compliance and perform regional periodic reviews.



3.2 Responsibilities at Country level

Under the Governance Charter, each **Country top manager** is responsible for promoting and monitoring the ethics of Sonepar's operations in his/her Country by implementing the appropriate rules and procedures. In particular, each Country top manager must monitor the Business Partner Assessment to ensure its efficiency, reliability and traceability.

However, it is the **top manager of a Sonepar operating company ("OpCo")** who has the ultimate responsibility for the compliance of his/her OpCo with (i) applicable laws and (ii) regulations and with the Code of Conduct and the Manual.

In particular, each OpCo top manager is responsible for:

- Defining the compliance organization in the OpCo and allocating dedicated means and resources;
- Providing inputs as needed to Sonepar's risk mapping including on Corruption and Influence Peddling;

- Checking the validity of the rules set by the Code of Conduct and the Manual under local law with either internal or external support;
- Putting in place specific policies and procedures, or additional policy guidance, if necessary;
- Ensuring roll out of the compliance training program;
- Checking and monitoring compliance with the Code of Conduct, Manual and local policies and procedures;
- Giving any specific authorization required under applicable policies and procedures;
- Applying employer's management and disciplinary powers;
- Conducting compliance periodic reviews and ensuring proper reporting, including the quarterly fraud and corruption report.

3.3 Responsibilities of the Regional General Counsels

With a view to disseminating a culture of ethics and compliance across his/her Region, each **Regional General Counsel** (or, depending on local context, heads of Legal and Compliance at Country level) is responsible for:

- Providing inputs as needed to Sonepar's risk mapping including on Corruption and Influence Peddling;
- Overseeing, supervising, monitoring and assessing compliance with all applicable laws and regulations and with Sonepar's Code of Conduct and Manual (including without limitation Business Partners assessment);
- Assisting the Regional Presidents (or, as the case may be, the OpCo top managers) in defining and implementing compliance policies and procedures for the Region/Country in accordance with those of Sonepar, with a view to ensuring that Sonepar's business is carried out diligently, loyally and ethically;

- Providing the necessary guidance and support to his/her Region, including training on Sonepar's Code of Conduct and Manual;
- Supporting Country or OpCo top managers in assessing the validity and effectiveness of the rules set by the Code of Conduct and the Manual under local law; and
- Confidentially leading investigations for suspected violations of applicable laws and regulations, internal rules or procedures and in handling governmental queries and investigations.

Each Regional General Counsel (and, depending on local context, heads of Legal and Compliance at Country level) reports to his/her Regional President and functionally to the General Counsel. Regional General Counsels are members of the SILCC.



3.4 Responsibilities of the Compliance Champions

The **Compliance Champions** are the correspondents of the Regional General Counsels, acting as initial points of contact for compliance matters.

They support the Regional General Counsel in deploying Sonepar's Compliance Program, they confidentially handle potential incidents and ethical alerts, and they are the contact persons for the associates at Country and OpCo levels to raise and address specific compliance matters.

The Regional General Counsels communicate through their respective Compliance Champions who then serve as a liaison between the Regional compliance function and the operational associates in a given Country or area and upon request to these departments.

4. EVALUATION

Internal Control and Internal Audit Departments are responsible for assessing the effectiveness of Sonepar's Audit Charter and Internal Control Manual (updated in 2020). Both documents are available on *MySonepar*.



POLICY 130

DEPLOYMENT OF THE CODE OF CONDUCT, THE MANUAL AND THE SUPPLIER CODE OF CONDUCT

*Scope: Applicable to all Sonepar Group ("Sonepar") associates
Entry into force: June 15, 2020
Version 2*

1. DEPLOYMENT OF THE CODE OF CONDUCT AND THE MANUAL

The Code of Conduct and the Manual are available in languages that are relevant for the Group.

Each OpCo top manager shall, with the help of his/her Legal, Compliance and HR Departments, as the case may be, take all the necessary steps to include the Code of Conduct and the Manual in his/her OpCo policies or other internal rules (included, as the case may be, a prior consultation of workers' council or a local board approval).



BEWARE

The Code of Conduct and the Manual must be considered together with any existing internal rules, such as "règlements intérieurs" for Sonepar companies in France or their equivalent in other jurisdictions, as applicable.

1.1 Distribution and training

Each OpCo top manager shall also, with the help of his/her Legal, Compliance, HR and Communication Departments:

- Make the Code of Conduct and the Manual available to **all** associates and new hires;
- Publish the Code of Conduct on local intranets and public-facing websites **by June 30, 2020**;
- Publish the Manual on local intranets **by September 30, 2020**;
- Customize and post the new Compliance Posters in all HQs, offices, sales points and CDCs **by October 31, 2020**;
- Ensure that each associate and new hire has acknowledged and agreed to follow the Code of Conduct either in paper format (template available in [Appendix 1](#) to the Manual) or electronic format **by December 31, 2020**;
- Ensure that appropriate information and education are offered to associates for a proper understanding of the Code of Conduct and Manual **by June 30, 2021** and thereafter on an ongoing basis.

1.2 Follow up

Each HR Department shall **keep records** of associates' acknowledgments and training attendance sheets, if any. These records may be audited and shall be made available upon request.

2. DEPLOYMENT OF THE SUPPLIER CODE OF CONDUCT

The Supplier Code of Conduct is available in English and in French. Sonepar Regions and Countries are free to prepare local translations under their responsibility and control.

Each OpCo may customize the Supplier Code of Conduct by adding its own tradename and logo. The General Counsel's Office will get the Supplier Code of Conduct acknowledged by Sonepar top

suppliers, with the help of Sonepar International Services (SIS).

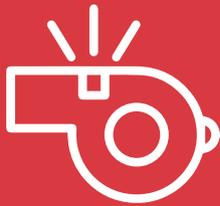
Rules for deployment of the Supplier Code of Conduct in the contractual documentation shall be defined locally, either at the Region, Country or OpCo level.

A Supplier Self-Declaration template is available in [Appendix 2](#) to the Manual.

2

RAISING CONCERNS AND REPORTING VIOLATIONS





POLICY 210

WHISTLEBLOWING POLICY

Scope: Applicable to all Sonepar Group (“Sonepar”) associates
Entry into force: June 15, 2020
Version 2



“Sonepar is committed to the highest standards of ethics and legal compliance. To achieve this objective, Sonepar requires the active participation of all its managers, associates and stakeholders.”

1. POLICY

Sonepar has established this Whistleblowing Policy to provide a way for those who are aware of circumstances or behaviors which they believe, in good faith, could represent violations of Sonepar’s Code of Conduct, Manual, Supplier Code of Conduct, other policies and procedures and/or of applicable laws and regulations, to identify and share those concerns.

Sonepar associates, Business Partners and third parties are strongly encouraged to report any such violations or possible violations.

1.1 What can be reported?

Such violation or possible violation may relate, without limitation, to the following areas:

- Human Rights;
- Discrimination;
- Harassment;
- Fraud;
- Corruption;
- Influence Peddling;
- International Sanctions and Embargoes;
- Data Privacy;
- Health and Safety;
- Environment;
- Any crimes or offences.

1.2 Key Principles

Confidentiality

All reports made under this Policy shall remain confidential within the whistleblowing process.

The identity of the whistleblower, of those affected by the alert and any documents shared in connection therewith will be shared only with those who need to know in order to perform an effective investigation, after having signed a confidentiality agreement.

Every effort shall be made to keep the number of persons entrusted with this information to a minimum. All persons involved in an investigation will be informed of the importance of the confidentiality of the process. Improper disclosure shall subject the person making the disclosure to disciplinary action.

Sonepar reserves the right to disclose the identity of a whistleblower if required to report the circumstances of an alert to an authority.

No retaliation

Sonepar encourages its associates, Business Partners and any third party to share in **good faith** any situation or behavior it believes to represent a violation of Sonepar's Code of Conduct, Manual, Supplier Code of Conduct, other policies and procedures or applicable laws.

Accordingly, Sonepar, its Business Partners and their associates **shall not take any action in retaliation** against any person for making a good faith report or participating in an investigation under this Policy.

It is expressly forbidden for any Sonepar associate or stakeholder to discharge, demote, suspend, threaten, harass, or in any way discriminate against, a person based upon any good faith alert by a person or his/her participation in investigating such an alert.

Any person found to have retaliated against another for making a report or participating in good faith in an investigation shall be subject to disciplinary action, up to and including termination.

Sonepar reserves the right to take disciplinary action and any other appropriate actions against a person who violates this Policy by knowingly making false and/or malicious statements against another with the intent of misleading or wrongfully initiating an investigation.

Also, if the whistleblower is responsible for conduct that is found to be a violation of Sonepar's Code of Conduct, Manual, Supplier Code of Conduct, other policies and/or procedures, or applicable laws, he/she is not discharged of any responsibility under this Policy by reporting this violation to Sonepar.



Disclosure of identity

Any associate filing an alert under this Policy is **encouraged to disclose** his/her identity, job title and the company for which he/she is working. The identity of the whistleblower is preserved and secured. Sonepar shall take all reasonable steps to protect the associate from any harm against him/her resulting from such filing.

An anonymous complaint may also be investigated by Sonepar depending on the *prima facie* seriousness of the allegations and documents produced.



Acting in good faith

Any associate making a report must act entirely in **good faith**, in a selfless spirit and have reasonable grounds and evidence to believe that a violation of Sonepar's Code of Conduct, Manual, Supplier Code of Conduct, other policies and procedures and/or of applicable laws and regulations has occurred or may occur.

Any filing of an alert that, following investigation by Sonepar's compliance resources, proves not to be substantiated and made in bad faith or maliciously, or made knowing the information to be false, is a **serious offence** and may entail disciplinary measures, leading up to and including termination of employment, without prejudice to legal action.

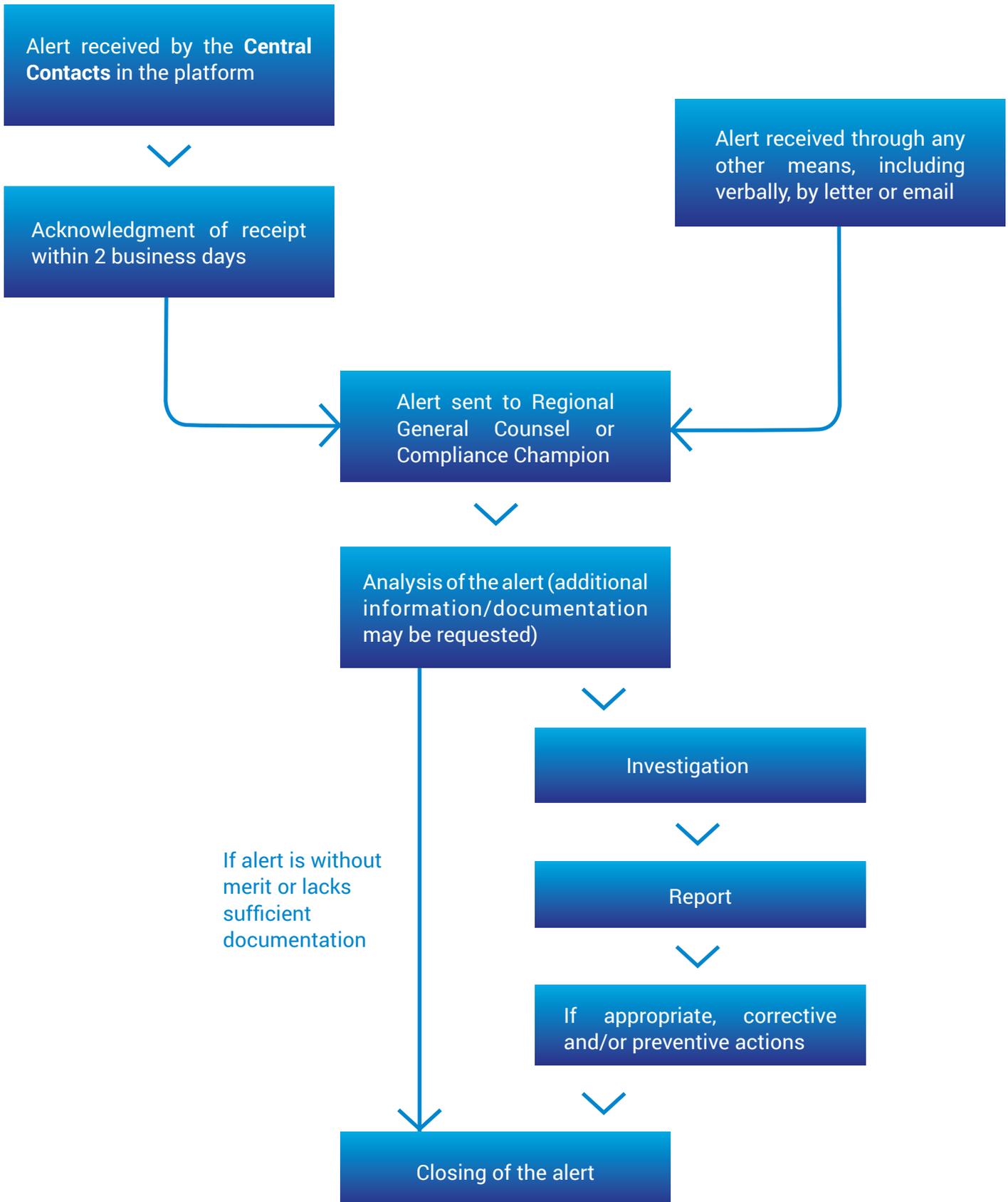
Personal Data Protection

Data collected through the Sonepar's whistleblowing system is processed in accordance with the requirements of the European General Data Protection Regulation (known as **GDPR**).

All necessary precautions are adopted to preserve the security of the data during collection, communication or retention. Associates have the right to access, modify and rectify their personal data.

2.3 What happens after an alert?

All reports, regardless of the method of reporting or the person receiving the report, shall be handled in accordance with the following procedure:



“Central Contacts” means a limited number of associates designated by the VP Legal and Compliance assigned from time to time to ensure the enforcement of this Policy and the entire whistleblowing process. Central Contacts have entered into appropriate confidentiality agreements.



The Regional General Counsel and/or Compliance Champion, in coordination with the Central Contacts, will consider the facts and allegations reported and determine how best to investigate, which may *inter alia* include review of documents and emails as well as interviews of relevant individuals, including without limitation the whistleblower.

Any associate contacted as part of the investigation shall cooperate and provide true and factual answers.

External counsels (forensic, law firms, etc.) may be appointed to assist in the investigation and/or preserve legal privilege.

Periodic reports will be provided to the VP Legal and Compliance on the status of the investigation and conclusions and recommendations will be summarized in an investigation report sent to the VP Legal and Compliance. This report shall contain (i) a summary of the allegation, (ii) a description of the investigative steps followed, (iii) the findings and (iv) recommendations of remedial actions (corrective and preventive actions), if appropriate.

Appropriate steps to address the conclusions of the investigation, if needed, will be recommended by the Regional General Counsel and/or Compliance Champion to the local management team, with information to the VP Legal and Compliance.

The fact that the investigation has been completed will generally be shared with the whistleblower, absent other constraints or factors, and provided that the whistleblower has acted in good faith.

Sonepar reserves the right to decline to investigate alerts that clearly lack merit or do not contain sufficient information to allow for a meaningful investigation, although efforts will be made to obtain further information from the whistleblower before closing the alert. Records of the decision to close the alert will be kept.

Sonepar takes necessary measures to ensure the destruction of elements to preserve the confidentiality, should no further action be taken towards the alert, to the extent permissible by laws and by confidentiality obligations.



3

APPLICABLE POLICIES AND PROCEDURES





ANTI-CORRUPTION POLICY

Scope: Applicable to all Sonepar Group ("Sonepar") associates
Entry into force: June 15, 2020
Version 1



"Sonepar builds relationships based on trust. We apply a zero-tolerance policy to bribery, corruption and influence peddling in all its forms."

1. WHAT YOU NEED TO KNOW

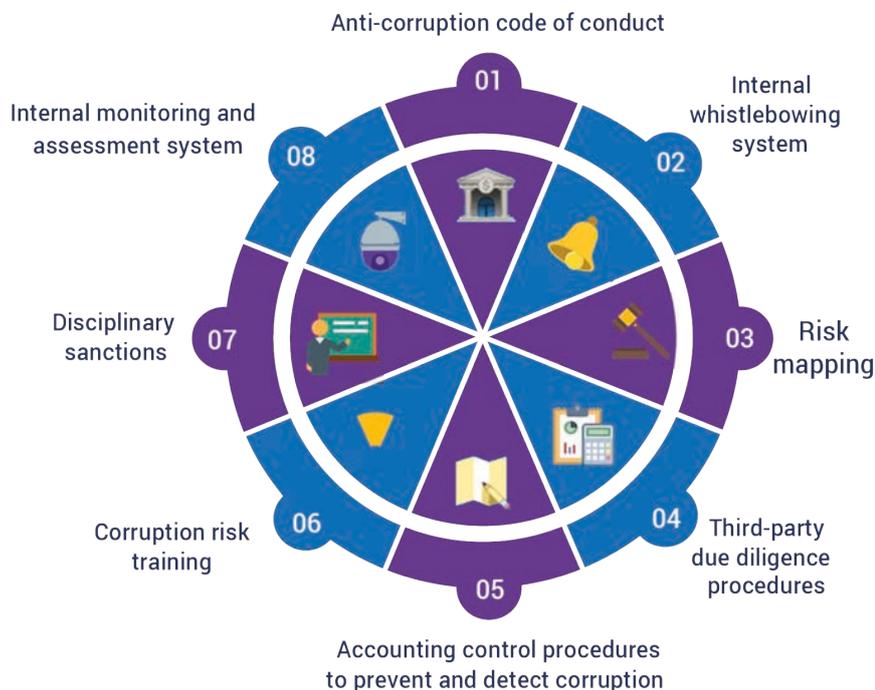
Corruption severely undermines the economy, sustainable development and efficiency of international and national trade by distorting competition to the detriment of consumers and businesses.

This is the reason why **Corruption is illegal** in every country, across the globe.

Sonepar must comply with the requirements of the French Law n°2016-1691 on transparency, fighting

corruption and modernizing economy (known as the **"Sapin II law"**). Sonepar must also comply with other anti-corruption laws, including the US Foreign Corrupt Practices Act ("**FCPA**") and the UK Bribery Act ("**UKBA**") 2010, as applicable.

The Sapin II law is structured around eight fundamental pillars that constitute a mandatory framework for companies in France.



2. WHAT IS AT STAKE

Failure to comply with anti-corruption laws represents serious risks for Sonepar and its associates, including:

- **Significant fines and penalties.**
- **Litigation and civil damages:** individuals and companies involved in corruption can face civil lawsuits brought by individuals or companies who can demonstrate losses suffered as a result of the corrupt act.
- **Reputational risk:** risk related to the trustworthiness of business. Damage to a company's reputation can result in lost revenue or decrease of shareholder value.
- **Contractual risk:** breach of anti-corruption laws could be a legal ground for the termination of contracts.
- **Disqualification from bidding:** in certain jurisdictions, a company convicted under anti-corruption laws may be disqualified from public bidding, permanently or for a defined period of time.
- **Suspension or debarment:** companies may also be prohibited from making sales to governments or public organizations. Loss of such sales opportunities could have a major financial impact.
- **Prison:** individuals can face substantial prison terms, including up to 10 years in France or the United-Kingdom or even a life sentence in China.
- **Disciplinary sanctions:** all violations of this Anti-Corruption Policy will be taken very seriously. Failure to comply may result in **disciplinary sanctions, up to and including termination of employment, and potential legal actions against the offenders.** These measures will always be adopted in accordance with local laws.

3. POLICY

First of all, always keep in mind the following: **we categorically reject all forms of Corruption.**

You will find below **basic rules of conduct** to apply at all times:

DO's

- ▶ Strictly adhere to Sonepar's Code of Conduct, Manual and local policies and procedures, if any;
- ▶ Always conduct due diligence to check the integrity of Business Partners prior to doing business therewith;
- ▶ Regularly update assessments of a Business Partner's risk level;
- ▶ Retain appropriate records or supporting documents;
- ▶ Always ask, when in doubt!

DON'Ts

- ▶ Offer, promise or give any Undue Advantage to secure business, influence the award of a contract or a public bid or obtain a favorable decision;
- ▶ Use third parties to do something that we do not have the right to do directly;
- ▶ Use personal funds to do something that we do not have the right to do;
- ▶ Continue working with a Business Partner that fails to comply with Sonepar's business integrity standards;
- ▶ Make any Facilitation Payment.



BEWARE

In certain countries such as the United States, the United Kingdom and France, laws with extra-territorial reach allow these countries' authorities to investigate and sanction acts of Corruption committed beyond their borders. Persons who breach these rules may be subject to simultaneous investigations and prosecutions in several countries.

No associate will ever be disciplined for refusing to pay a bribe, regardless of its impact on sales, profitability, project completion, or any other aspects of Sonepar’s business.



Policy 310 is spelled out in several sub-policies detailing the rules of conduct and recommendations applicable in potentially “at-risk” situations, which collectively constitute Sonepar’s Anti-corruption Code of Conduct:

Policy 311 → **Glossary**

Policy 312 → **Gifts, Invitations and Travel-related Expenses**

Policy 313 → **Sale of Non-Core Products**

Policy 314 → **Facilitation Payments**

Policy 315 → **Political Contributions**

Policy 316 → **Charitable Donations and Sponsorships**

Policy 317 → **Dealing with Business Partners**

Policy 318 → **Acquisitions**

Policy 319 → **Accounting and Financial Records**

Sonepar’s Anti-corruption Code of Conduct constitutes an integral part of Sonepar’s Code of Conduct.

By implementing the foregoing set of policies:

- ▶ We ensure all Sonepar associates are aware that it is prohibited to request, accept, offer, or give directly or indirectly a bribe in the course of the performance of their duties;
- ▶ We prohibit certain operations such as Facilitation Payments or Kickbacks;
- ▶ We monitor certain operations such as Political Contributions, Charitable Donations and Sponsorships;
- ▶ We regulate the offer or receipts of Gifts, Invitations or Travel-related expenses;
- ▶ We maintain accurate books and records that properly and fairly document all financial transactions.



POLICY 311

GLOSSARY

Scope: Applicable to all Sonepar Group (“Sonepar”) associates

Entry into force: June 15, 2020

Version 1

1. WHAT IS CORRUPTION?

In the simplest terms, “**Corruption**” is the abuse of power for personal gain. In the business context, Corruption involves the offer, promise, giving, soliciting or accepting, directly or indirectly, anything of value for doing or not doing something, to encourage or reward a person to secure business, influence the award of a contract or a public bid or obtain a favorable decision.



Corruption generally involves **two parties**:

- the party who will offer or provide an Undue Advantage; and
- the party who is fraudulently using his/her powers or influence in favor of a third party in exchange for such Undue Advantage.

In addition, a person who facilitates an act of Corruption is an **accomplice**, and the one who benefits from this act by receiving the Undue Advantage is a **receiver**. They are personally liable for these actions.

Corruption is deemed to exist even if:

- the person who offers the Undue Advantage acts **through a third party**;
- the person who receives the Undue Advantage is **not its end-beneficiary**;
- the fraudulent action and the granting of the Undue Advantage **do not take place simultaneously** (the Undue Advantage may be granted in advance or at a later date);

- the Undue Advantage is in a **non-monetary form**;
- the beneficiary is a **public-sector** employee or a **private-sector** employee.

Corruption is often combined with other illegal acts such as Influence Peddling, presentation of inaccurate financial statements, misuse of company assets, Extortion, abuse of office, favoritism, or illicit enrichment. These acts intrinsically constitute criminal offences in most countries.



BEWARE

Anything of value includes **not only money** but also, without limitation:

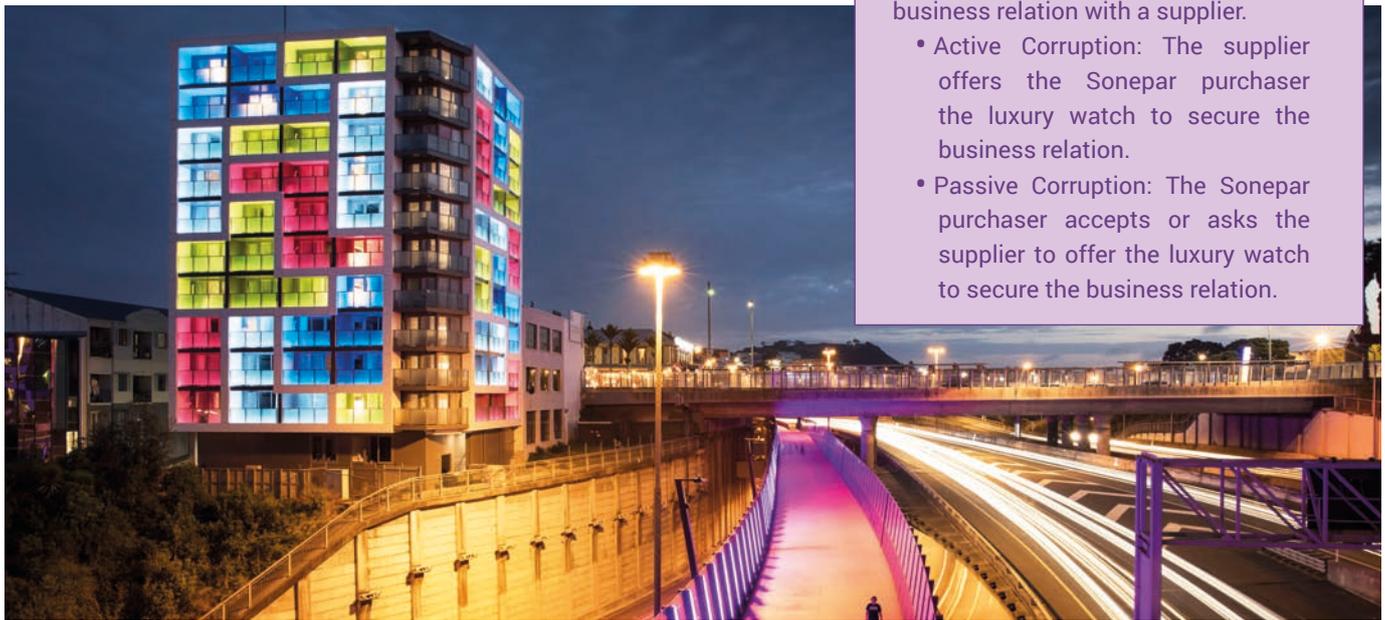
- Extravagant or overly frequent gifts and invitations;
- Medical, educational or living expenses;
- Sponsorships and donations;
- Offer of employment or internships;
- Contracts or business opportunities.

2. WHAT IS AN UNDUE ADVANTAGE?

An “**Undue Advantage**” can take many forms, such as:

- Cash or cash equivalent;
- Gifts;
- Invitations, accommodations and meals;
- Travel-related expenses;
- Promise of a job or a traineeship;
- Services;
- Sponsorships, donations or contributions.

In short, an **Undue Advantage** is anything of value.



4. WHAT IS THE DIFFERENCE BETWEEN PUBLIC AND PRIVATE CORRUPTION?

“**Public Corruption**” involves a Public Official.

The concept of who is a “**Public Official**” tends to be broadly interpreted under applicable laws and court precedents.

It typically includes:

- Any elected or appointed Government official (such as a member of a Government ministry);
- An employee, official, contractor or representative of a Government or any department, agency or instrumentality (such as state-owned enterprises);
- Any employee or person acting for or on behalf of a Government official, agency, or enterprise performing a government function (for example, a licensing official or a customs agent);
- A state-owned or controlled company;

3. WHAT IS ACTIVE AND PASSIVE CORRUPTION?

Corruption may be active or passive. Both are prohibited and sanctioned.

“**Active**” or “**Outward**” **Corruption**: the corrupting person takes the initiative of the act of Corruption.

“**Passive**” or “**Inward**” **Corruption**: the corrupted person receives the Undue Advantage.



EXAMPLE

A luxury watch is offered to secure a business relation with a supplier.

- **Active Corruption**: The supplier offers the Sonepar purchaser the luxury watch to secure the business relation.
- **Passive Corruption**: The Sonepar purchaser accepts or asks the supplier to offer the luxury watch to secure the business relation.

- Any political party official or candidate, and any officer, employee or person acting for or on behalf of a political party or candidate for public office;
- A person acting in the service of a government, including for the local or national police, a customs agency, or in civil service;
- An employee or person acting for or on behalf of a public international organization; and
- Family members and relatives of any of the above (such as a parent, spouse, child or sibling, including by marriage).

“**Private Corruption**” involves a private company employee.

Whether the act of Corruption occurs in the public or private sector does not matter. Public and Private Corruption are prohibited under this Policy and in most jurisdictions.

5. WHAT IS THE DIFFERENCE BETWEEN DIRECT AND INDIRECT CORRUPTION?

“**Direct Corruption**” occurs when the acts are directly committed by the person looking for a favor.

“**Indirect Corruption**” occurs when the acts involve an Intermediary or third party.

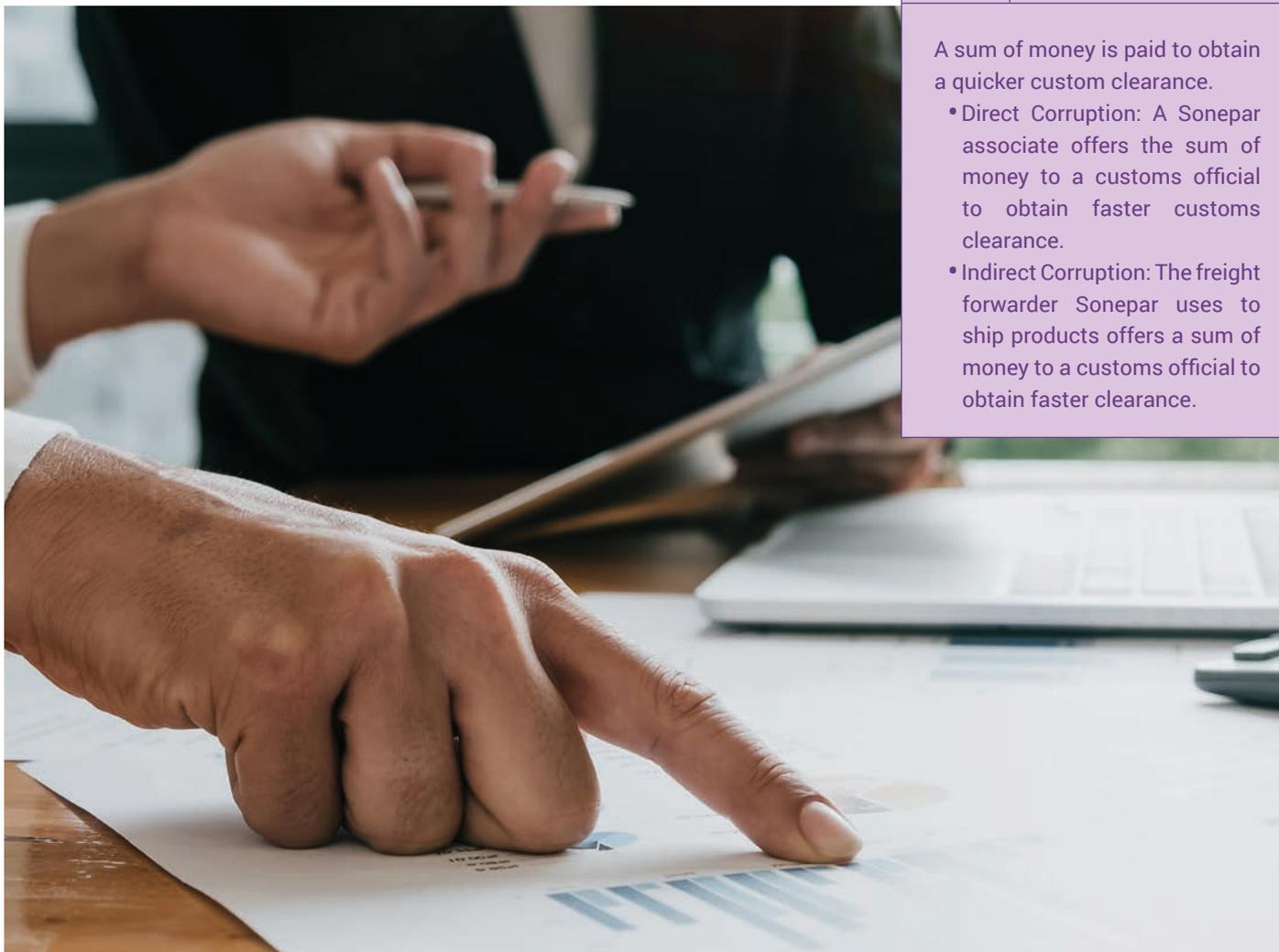
Both types of Corruption are prohibited and sanctioned. A company may in certain circumstances be prosecuted for Indirect Corruption even if it was not aware that an act of Corruption had been committed by the Intermediary. It is therefore key to ensure that the Intermediaries likely to represent Sonepar are carefully selected in accordance with Sonepar’s standards.



EXAMPLE

A sum of money is paid to obtain a quicker custom clearance.

- **Direct Corruption:** A Sonepar associate offers the sum of money to a customs official to obtain faster customs clearance.
- **Indirect Corruption:** The freight forwarder Sonepar uses to ship products offers a sum of money to a customs official to obtain faster clearance.



6. WHAT IS THE DIFFERENCE BETWEEN CORRUPTION AND BRIBERY?

“**Bribery**” is a type of Corruption. It is a generic term used for a payment or a gift made in return for a favor or unjustified service.



EXAMPLE

Bribery can occur in order to speed up negotiations with companies by offering an incentive or giving a gift to an associate of the counterparty.

7. WHAT IS EXTORTION?

Corruption becomes “**Extortion**” when the request for an Undue Advantage is accompanied by the use of violence or threats of violence.

How to resist extortion?

Resisting Extortion and Solicitation in the International Transactions (RESIST) is a free tool

developed by the International Chamber of Commerce which offers various operational recommendations, based on practical scenarios, on resisting extortion:

<https://iccwbo.org/publication/resisting-extortion-and-solicitation-in-international-transactions-resist/>

8. WHAT IS INFLUENCE PEDDLING?

“**Influence Peddling**” involves using one’s influence in government or connections with persons in authority to obtain favors or preferential treatment for another, usually in return for payment or an advantage.

Influence Peddling is considered corruption in several countries, including France.



EXAMPLE

The brother of the city mayor promises you that the city mayor will award you a lighting supply contract if you take his son as an intern in your department.



9. WHAT IS A RETRO-COMMISSION OR KICKBACK?

A “**Retro-commission**” or “**Kickback**” occurs when the corrupted person is rewarded by the party obtaining the payment, generally consisting of the payment of a percentage of the undue gains obtained.



EXAMPLE

A customer asks a Sonepar OpCo to invoice the products at a higher purchase price and to pay a Kickback on the price difference to the customer’s representative.



POLICY 312

GIFTS, INVITATIONS AND TRAVEL-RELATED EXPENSES

*Scope: Applicable to all Sonepar Group (“Sonepar”) associates
Entry into force: June 15, 2020
Version 1*

1. WHAT YOU NEED TO KNOW

The purpose of this Policy is to ensure that the offer or acceptance of Gifts, Invitations and Travel-related expenses by Sonepar associates does not unduly influence a contractual or material transaction or serve, or be perceived to serve, as an inducement to act in breach of any duty.

This Policy is not intended to limit Sonepar OpCos from engaging in customary and well-documented marketing or promotional activities, such as customer or supplier incentive/reward programs.

What is a Gift?

A **“Gift”** is any benefit given to another and can include physical items, such as a bottle of wine or a box of chocolates.

Gifts can also be the payment of an expense, such as payment for travel and hotel expenses.

For purposes of this Policy, Gifts do not include marketing and promotional items, such as hats, shirts, pens or magnets prominently featuring corporate branding or logo and other similar items.



What is an Invitation?

An **“Invitation”** consists of an event, such as a meal, sporting event or other entertainment, with another party that is exclusively or partially for business purposes.

Invitations may include without limitation:

- Meal at the restaurant;
- Play;
- Concert;
- Sporting event;
- Golf outing;
- Seminar;
- Conference.

What do we mean by Travel-related expenses?

In this Policy, **“Travel-related expenses”** refer to expenses to be potentially borne by Sonepar for travels and accommodations of Business Partners’ employees or expenses to be potentially borne by a Business Partner for travels and accommodations of Sonepar associates.

2. WHAT IS AT STAKE

Sonepar recognizes that it may be appropriate and customary to offer or receive Gifts or Invitations to or from third parties in order to strengthen business relationships, build goodwill or comply with business practices.

Occasionally, it may also be appropriate for customers, suppliers, or other Business Partners to pay for Travel-related expenses for Sonepar

associates, or alternatively for Sonepar to cover the Travel-related expenses of non-Sonepar associates.

Sonepar associates must be **very careful** when it comes to accepting or giving Gifts, Invitations and Travel-related expenses as they may also bring the risk of creating an appearance of impropriety.

 EXAMPLES	GIFTS	INVITATIONS
APPROPRIATE	<ul style="list-style-type: none"> Marketing or promotional items, Reasonably priced holiday gift. 	<ul style="list-style-type: none"> Invitations to lunch or dinner before/ after a business meeting or to discuss business, Reasonably priced sporting events or concert with customers, Invitation to a yearly cocktail gathering for all customers.
NOT APPROPRIATE	<ul style="list-style-type: none"> A luxury watch, A box of six bottles of expensive champagne, A weekend holiday with no business purpose. 	<ul style="list-style-type: none"> Invitations to dinner in an outrageously expensive restaurant, Invitations to lunch every week by the same Business Partner, Invitations to sporting events, which include lavish accommodations, meals and travel.

3. POLICY

The offer or acceptance of Gifts, Invitations and Travel-related expenses is subject to this Policy and the below four-step procedure which is mandatory and will be audited.

Each Region shall draft and implement **by December 31, 2020** a Regional Policy setting:

- Applicable regional approval thresholds;
- Monitoring process;
- Potential additional and more restrictive guidelines than the ones set in in this Policy;

- Process to distribute left-over gifts linked to promotional campaigns (which can alternatively be captured in Marketing policies); and
- Local practical examples.

The Regional Policy shall be regularly updated. The Regional Policy and any further updates shall be communicated to the General Counsel and the VP Legal and Compliance as soon as available and, in any case, before deployment.

Regional policies must be made available to associates. Appropriate information and training must be offered to associates to ensure proper understanding and effective enforcement.

3.1 Giving and receiving Gifts

✔ What is permitted?

As a general rule, Sonepar associates **must always respect** the following principles when giving or accepting a Gift.

The Gift must:

- ▶ Comply with applicable laws, Sonepar's policies, and the internal rules of the Business Partner, when known;
- ▶ Occur in connection with a verifiable legitimate business purpose;
- ▶ Always be made in good faith;
- ▶ Never be made to gain an Undue Advantage nor to unduly influence an action;
- ▶ Not create a sense of obligation or an appearance of impropriety;
- ▶ Be reasonable and appropriate (in terms of type, value, occasion, frequency, business practice and local cultural sensitivities);
- ▶ Be approved in accordance with the applicable Regional Policy;
- ▶ Be expensed in accordance with local procedures and clearly identifiable and traceable.

✔ What is prohibited?

- ▶ Gifts that may give rise to, or may be seen as giving rise to, a Conflict of Interest;
- ▶ Gifts that are provided with the intention or an expectation of reciprocity;
- ▶ Gifts that involve parties in a tender or competitive bidding process;
- ▶ Gifts in cash or cash equivalent;
- ▶ Gift cards that are not (i) of a reasonable value, and (ii) directly related to an approved OpCo marketing customer incentive plan or initiative;
- ▶ Gifts that are prohibited by law;
- ▶ Gifts given as a bribe, payoff, or Kickback (for example, to obtain or retain business, or to secure an improper advantage, such as securing favorable bidding status);
- ▶ Gifts the recipient knows are prohibited by the Gift giver's organization;
- ▶ Gifts given in the form of services or other non-cash benefits (for example, the promise of employment);
- ▶ Gifts offered by several Sonepar associates to the same recipient or organization to purposely exceed potential limitations existing in the applicable Regional Policy.



Additional considerations

- ▶ Any Gift received or won at any "lucky draw" or lottery organized outside of Sonepar shall also comply with this Policy.
- ▶ Sonepar associates must never ask for Gifts, regardless of value.
- ▶ Sonepar associates are expected to exercise good judgment in accepting Gifts from, and in giving Gifts to, suppliers, customers, or other businesses.



3.2 Giving or receiving Invitations

✔ What is permitted?

As a general rule, Sonepar associates **must always respect** the following principles when offering or accepting an Invitation.

The Invitation must:

- ▶ Comply with applicable laws, Sonepar's policies, and the internal rules of the Business Partner, when known;
- ▶ Occur in connection with a verifiable legitimate business purpose;
- ▶ Always be made in good faith;
- ▶ Never be made to gain an Undue Advantage nor to unduly influence an action;
- ▶ Have a reasonable value;
- ▶ Be appropriate considering the circumstances in which it is made;
- ▶ Not create a sense of obligation or an appearance of impropriety;
- ▶ Be socially acceptable;
- ▶ Not be offered frequently to the recipient;
- ▶ Be approved in accordance with the applicable Regional Policy;
- ▶ Be expensed in accordance with local procedures and clearly identifiable.

✔ What is prohibited?

- ▶ Invitation that the host knows the recipient is not permitted to accept, or that the recipient knows the host is not permitted to give;
- ▶ Invitation that can be viewed as excessively lavish in the context of the business occasion;
- ▶ Invitation prohibited by tender or competitive processes, or that is provided with the intention to secure an improper advantage;
- ▶ Invitation provided with the intention or an expectation of reciprocity;
- ▶ "Adult" entertainment or any sort of event involving nudity or lewd or inappropriate behavior;
- ▶ Invitation or entertainment that could negatively impact Sonepar's or the OpCo's business reputation;
- ▶ Invitation or entertainment that is prohibited by local management;
- ▶ Invitations or entertainments offered by several Sonepar associates to the same recipient or organization to purposely exceed the limitations existing in the Regional Policy.

Additional considerations

- ▶ The above guidelines apply to situations in which the host is present. Tickets to sporting or cultural events provided to or by Sonepar associates and not attended by the host are "Gifts," not "Invitations" or "entertainment" and,

therefore, all guidelines pertaining to Gifts shall apply.

- ▶ Health and safety of the recipient shall always be ensured. Any dangerous activities shall be avoided.

3.3 Offering or accepting Travel-related expenses

Any Travel-related expenses falling under the scope of this Policy must comply with the following principles:

- ▶ The travel is related to Sonepar business and does not cover any side trip (any side trip shall be considered either a Gift or an Invitation, depending of the context, and shall be approved as such);
- ▶ The class of travel, the type of hotel and other Travel-related expenses are reasonable and commensurate with the traveler's seniority and the company's policies and practices;

- ▶ The proposed expenditures comply with local laws and customs; and
- ▶ The itinerary is reasonable given the purpose of such travel.

Where Sonepar is paying for a non-Sonepar associate's travel, the travel and accommodations must be paid directly, and not provided as a *per diem*.

Sonepar will never approve trips that appear to be provided in exchange for an improper business advantage.

3.4 Additional rules for Public Officials

In addition to the rules detailed above, the following additional rules shall be strictly followed for Gifts, Invitations or Travel-related expenses to be made to Public Officials.

- ▶ **Rules issued by Governments and specific instructions contained in your Regional Policy must be strictly followed.** Note that the pre-approval requirements and thresholds for Gifts and Invitations to Public Official may be stricter than those for non-government third parties.
- ▶ Before making any Gifts or Invitations to a Public Official, seek guidance under local law and any

applicable international laws to make sure it is appropriate depending on the person, the circumstances and location.

- ▶ Approved Gifts, Invitations and Travel-related expenses shall not influence the award, renewal or modification of a contract or secure or reward favorable treatment in connection with Sonepar's activities.
- ▶ Gifts, Invitations and Travel-related expenses must only be related to a genuine business purpose.
- ▶ In case of any doubt, please refer to the Legal, Risk and Compliance Network.



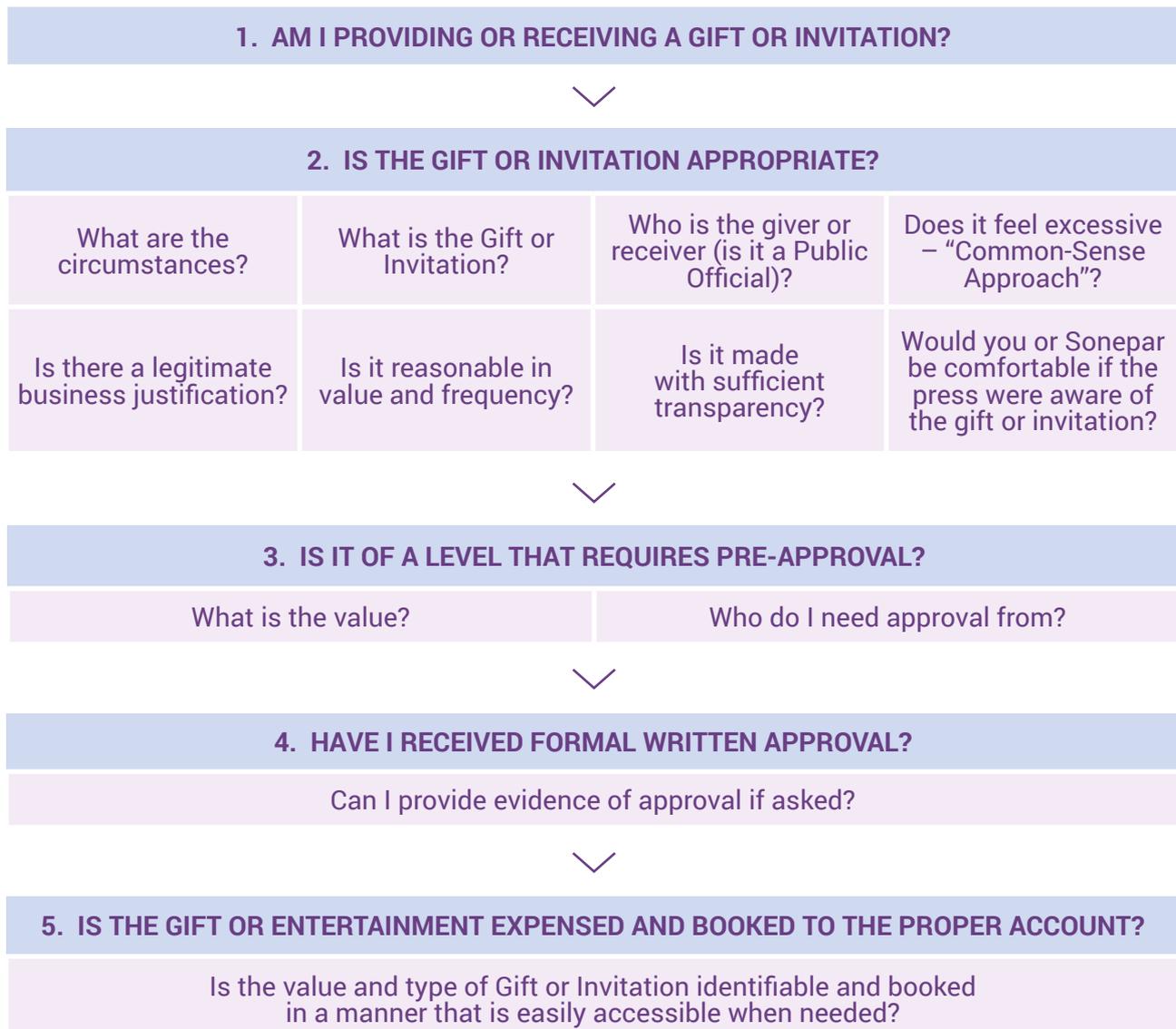
4. PROCEDURE FOR GIVING OR RECEIVING GIFTS, INVITATIONS AND TRAVEL-RELATED EXPENSES

A four-step procedure:



5. SUMMARY – MAKING THE RIGHT CHOICE

What is reasonable or appropriate is not the same in every situation. The boundary between what is acceptable or not is sometimes very thin. This must be assessed on a case-by-case basis, taking into account the specific context and local peculiarities and asking yourself the following questions:



6. HOW TO REACT IN CASE OF AN EXCESSIVE OR INAPPROPRIATE REQUEST?

It is sometimes difficult to refuse a Gift or an Invitation. In some countries, business Gifts and Invitations are not seen as Corruption and refusal may even be offensive.

It is recommended to:

- Politely refuse and explain that accepting such an offer would violate this Policy and Sonepar's Code of Conduct; and
- Report the offer to management and/or the Legal, Risk and Compliance Network, even if not accepted.

Any associate who receives a Gift that is not appropriate under this Policy may accept the Gift if refusing to do so would be considered offensive and shall then promptly report it to his/her manager. The manager shall decide the appropriate response, which may for example include donating the Gift to charity or a random give away (e.g. through lucky draw) to Sonepar associates. But how the Gift is eventually disposed of must be recorded and such records shall be readily available for inspection upon request.



7. PRACTICAL EXAMPLES

7.1. A manufacturer has supplied an OpCo with defective products. The OpCo's supply chain manager must work with the manufacturer to determine the root cause of the defect, as well as corrective actions. To facilitate this, the manufacturer suggests that it pays the supply chain manager's airfare and hotel for a visit to the facility at a cost of \$600. Can we accept?

The supply chain manager shall apply the Policy and get approval. If approved, the supply chain manager can accept.

7.2. A supplier offers a Sonepar associate a watch with the logo of his company, can he/she accept it?

If it is a modest-value advertising watch, it can be accepted. However, if it is of significant value, the Sonepar associate must refuse the Gift and notify his/her manager.

7.3. As a Sonepar associate, I am overseeing all real estate activities for a Sonepar OpCo. I am offered six expensive bottles of champagne for Christmas from our exclusive real estate consultants. Can I accept such Gift?

No, as it is or can be perceived as a personal benefit, with no benefit to my OpCo.

7.4. Same situation than above but I am offered two tickets for a local sport event in my own town, without other entertainment activities and travelling. The consultant will also attend the event. Can I accept such invitation?

Yes, as it is reasonable, and it can be presumed offered in good faith. Furthermore, the consultant will also attend the event. You must, however, inform your manager about such Invitation.



SALE OF NON-CORE PRODUCTS

Scope: Applicable to all Sonepar Group (“Sonepar”) associates
Entry into force: June 15, 2020
Version 1



1. WHAT YOU NEED TO KNOW

“Non-Core Products” shall mean any products that do not directly relate to or fall outside of the product categories with respect to the standard and day-to-day business a Sonepar OpCo conducts.

Depending on the operations of the OpCo, examples of Non-Core Products may include, without limitation:

- TVs, home appliances, video, stereo,
- Gaming, entertainment systems,
- Furniture,
- Sporting goods,
- Vehicles and related accessories,
- Computers,
- Phones,
- Recreational vehicles and equipment,
- Boats and/or boating equipment,
- Artwork,
- Clothing,
- Jewelry.

2. WHAT IS AT STAKE

Sonepar OpCos may occasionally receive requests from customers to purchase goods that are **outside the scope of the products** such OpCos typically distribute.

These requests are sometimes received from an individual that is violating the customer’s internal policies or willingly committing fraud.



3. POLICY

Except with respect to Non-Core Products that are typically stocked at an OpCo and/or part of an OpCo's catalogued product offerings, no OpCo or any associate shall sell Non-Core Products without, in every instance, following this Policy and the below four-step procedure which is mandatory and will be audited from time to time.

In addition, no associate shall sell products, goods or services that will be paid for by the customer or end-user if such associate is aware that such products, goods or services will not be provided to the Customer or end-user (as applicable).

The sale of Non-Core Products must always respect the following **Basic Principles**:

- ▶ It must be approved by the owners of the customer or management-level individuals with the proper authority within the customer's organization.
- ▶ It must not violate any applicable laws, including, but not limited to, anti-corruption, Influence Peddling and tax evasion laws.
- ▶ It must not defraud any individuals or entities (including the customer's owners or customers).
- ▶ It must be performed in good faith.
- ▶ It must not create the appearance (or an implied obligation) that the Non-Core Products recipient is given in exchange for, or in the hope of receiving

preferential treatment, an award of business, better prices or improved terms of sale.

- ▶ It must be reasonable and appropriate.
- ▶ It must not give rise to, or be seen as giving rise to, a Conflict of Interest.
- ▶ It must not embarrass Sonepar or the Non-Core Products purchaser if disclosed publicly.

Each Region shall draft and implement **by December 31, 2020** a Regional Policy setting:

- ▶ Applicable regional approval thresholds;
- ▶ Potential additional and more restrictive standards than the ones set in this Policy; and
- ▶ Local practical examples.

The Regional Policy shall be regularly updated. The Regional Policy and any update shall be communicated to the General Counsel and the VP Legal and Compliance as soon as available and, in any case, before deployment.

Regional policies must be made available to associates and, appropriate information and training must be offered, where necessary, to associates to ensure proper understanding and effective enforcement.



4. PROCEDURE FOR THE SALE OF NON-CORE PRODUCTS

STEP 1  CHECK IF APPROPRIATE	STEP 2  APPROVAL	STEP 3  ACCOUNTING AND REPORTING	STEP 4  KEEP RECORD
<p>Before selling any Non-Core Products, always confirm that any such sale is permitted under this Policy and the applicable Regional Policy.</p>	<p>Before taking any commitment, you must obtain prior approval under the applicable Regional Policy.</p>	<p>When the sale of the Non-Core Product is approved, it must be properly documented and accurately invoiced to the Customer in accordance with the Sonepar OpCo's procedures. All related products must be easily identifiable on the billing or invoicing documentation. <i>Please also refer to Policy 319.</i></p>	<p>All documents relating to sales of Non-Core Products must be properly recorded and maintained by Sonepar OpCos in a format of their choice and be made available upon request for audit purposes.</p>

5. PRACTICAL EXAMPLES

5.1 One employee of a corporate customer comes to you in a Sonepar branch and asks you to sell him a TV at current market price with delivery to his home address. TVs are not part of the OpCo's product catalogue. As it is at market price, can you accept to do it?

No, you cannot. As the customer is asking you to sell him the TV and not his company and ship it to his home address, there is a high probability that he gets a personal benefit out of the transaction. Report the request to your manager.

5.2 Sonepar is responsible at a customer's construction site for overseeing electrical material purchases. Most of the purchased products are wire and cables. You are asked to purchase iPads, on the customer's behalf, to be delivered on the site and to use wire and cable product code for purchase purposes. What should you do?

You must refuse to purchase the iPads. Delivery of iPads at a construction site is not in the normal course of business conducted for the site. Furthermore, misuse of a product code violates Sonepar's policies and procedures and may be considered a fraudulent act. Report the request to your manager.





FACILITATION PAYMENTS

Scope: Applicable to all Sonepar Group ("**Sonepar**") associates
Entry into force: June 15, 2020
Version 1



1. WHAT YOU NEED TO KNOW

A "**Facilitation Payment**", also called a "speed" or "grease" payment, is a payment made to Public Officials whose duties are administrative in nature, in order to **speed up** the performance of **routine government processes** that must be carried out by law, but might otherwise take an excessive amount of time.

It does not include a payment to a government agency to expedite a service in accordance with an official and published price list.



EXAMPLE

Payment made to speed up the:

- Issuance or renewal of a passport or a visa;
- Customs clearance;
- Issuance of a construction permit;
- Issuance of an operating permit.

2. WHAT IS AT STAKE

Facilitation Payments may be permitted in a small number of countries in certain limited circumstances. However, in most jurisdictions, Facilitation Payments are illegal and prohibited.

3. POLICY

Sonepar **strictly prohibits** Facilitation Payments of **any amount in all countries** where Sonepar operates, **except** when **freedom of movement, health or safety** is at stake.

If asked to make a payment that would be considered a Facilitation Payment, you **must decline** the request and **report** it as soon as

possible to your manager and the Legal, Risk and Compliance Network.

Sonepar also prohibits any Business Partners working on its behalf or in connection with its business from making Facilitation Payments.

The fulfilment of this Policy and the below procedure is mandatory and will be audited.

4. PROCEDURE

If you are requested to make a Facilitation Payment, apply the following procedure:

- 1) Explain to the requestor that Sonepar's rules of ethics do not allow you to grant the request.
- 2) If the person insists, ask for a formal request in writing as follows (this may deter the person):
 - A written request stating the requestor's identity;
 - Countersigned by an empowered signatory;
 - Produced on official letterhead.
- 3) Should your health or safety be at risk if you do not make the Facilitation Payment:
 - If time permits, **seek the advice** of the Legal, Risk and Compliance Network.
 - Otherwise, **take the action** you believe necessary in the circumstances to ensure your safety. **When you are safe, promptly report** to your manager and the Legal, Risk and Compliance Network, the payment made, as the case may be, together with all background explanations.
- 4) Both Facilitation and Extortion Payments, regardless of amount, must be **clearly and properly recorded** in your OpCo's books and records (and not described otherwise, such as an "administrative fee" or "donation").



5. PRACTICAL EXAMPLES

5.1 Sonepar is expanding a warehouse facility and needs a permit for an access road to complete the project, which is substantially delayed due to construction issues. The local permitting office will issue the permit, but it is well-known that the permitting office takes several months to review applications. An official at the office offers to expedite Sonepar's application and issue the permit within a few days for a cash payment of \$200. What should you do, as large amounts are at risk for Sonepar?

You cannot make the payment to the official as Sonepar's policy is zero tolerance to any form of Facilitation Payment.

5.2 You work in Sonepar's HR department and for several months an excellent candidate has been waiting on a work visa. One of your best friends works at the immigration office responsible for issue work visas. Can you ask your friend, in exchange for a concert ticket, to speed up the issuance process?

You cannot make such request. You must follow the official "priority process" of the immigration office, if any.



POLICY 315

POLITICAL CONTRIBUTIONS

*Scope: Applicable to all Sonepar Group (“Sonepar”) associates
Entry into force: June 15, 2020
Version 1*

1. WHAT YOU NEED TO KNOW

“Political Contributions” include any contribution, whether made in cash or in kind, to support a political cause, party, candidate, campaign, or official. Contributions in kind can include, without limitation, gifts of property or services, advertising or promotional activities endorsing a political party.



2. WHAT IS AT STAKE

Political Contributions present a Corruption risk insofar as they can be used to channel improper payment to Public Officials. Even where they are not used as a subterfuge for Bribery, Corruption or Influence Peddling, such payments may give rise to a Conflict of Interest or an appearance of impropriety.

3. POLICY

Associates may participate in the political process by making contributions from personal funds or by participating in, or volunteering for, campaign activities. Any such activity must be performed on an associate’s own time. Associates may not in any instance use company resources in connection with their own political activities.

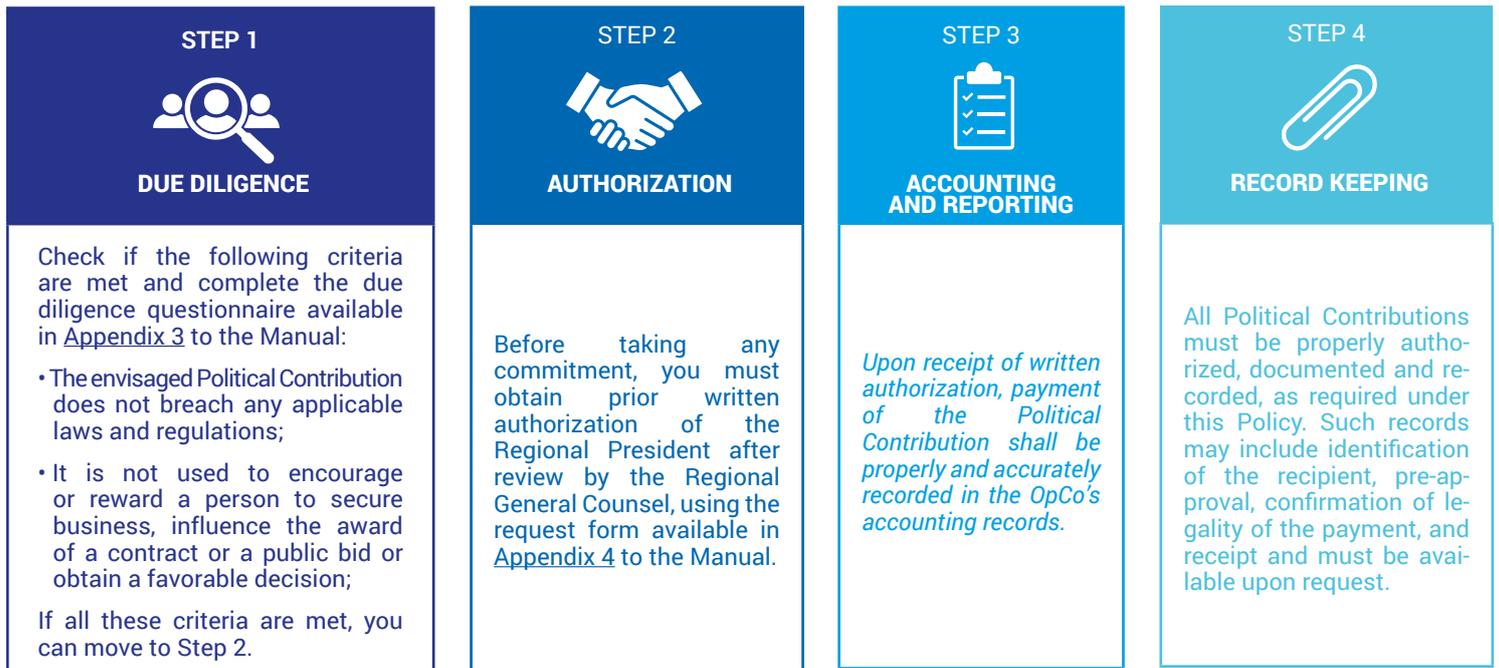
Sonepar has decided to **strictly monitor** the payment of any Political Contributions and will authorize them in exceptional circumstances only.

Local policies may impose stricter obligations than this Policy and may even simply prohibit any sort of political contributions.

The payment of any Political Contribution by any Sonepar OpCo is subject to strict compliance with this Policy and the below four-step procedure which is mandatory and will be audited.

4. PROCEDURE

A four-step procedure:



5. PRACTICAL EXAMPLES

5.1. *As a Sonepar associate, you can give access to Sonepar's facilities, including conference rooms. Your brother is active in political life and you share the objectives of such political party. Can you offer to your brother the use of a Sonepar facility for a 2-hour period on a Sunday afternoon, at which time office is closed?*

No, you cannot as this could be viewed as Sonepar promoting political interests, which is against Sonepar's Policy.



POLICY 316

CHARITABLE DONATIONS AND SPONSORSHIPS

Scope: Applicable to all Sonepar Group (“Sonepar”) associates
Entry into force: June 15, 2020
Version 1



1. WHAT YOU NEED TO KNOW

A “Charitable Donation” includes providing financial support, skills, or equipment to a non-profit organization, without seeking any direct economic return, with the aim of supporting an activity of general interest (arts and culture, science, education, humanitarian/social projects, research, etc.). This Policy does not apply to Sonepar- or OpCo-sponsored charitable events or volunteer opportunities.

Contributions to industry associations or fees for memberships in organizations that serve business interests are **not considered donations**.

A “Sponsorship” is a marketing event in which the company makes a financial and/or material contribution to a social, cultural, commercial, educational, scientific or sporting activity to gain a positive benefit by promoting the corporate brand and increasing its visibility. Sponsorship contributions are not recognized as donations, but as communication expenses (promotion and advertising). Sponsorships are commercial in nature, not charitable.

2. WHAT IS AT STAKE

Sonepar strictly monitors operations such as Charitable Donations and Sponsorships to ensure that they do not constitute Bribery, Corruption or Influence Peddling.

3. POLICY

This Policy outlines the mandatory approval process that must be followed for all Charitable Donations and Sponsorships.

Each Region shall draft and implement **by December 31, 2020** a Regional Policy setting:

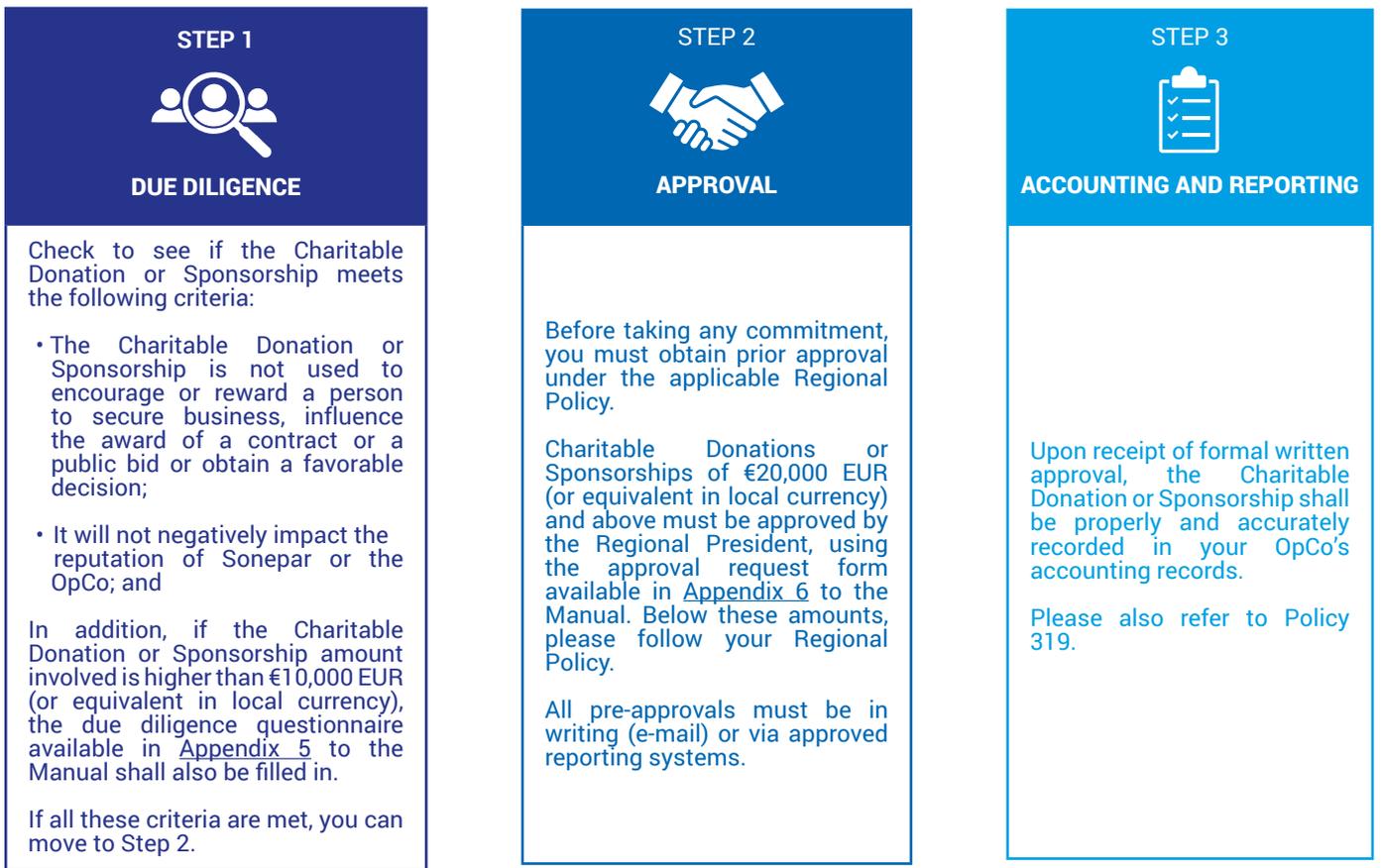
- Applicable regional approval thresholds;
- Potential additional and more restrictive standards than the ones set in this Policy; and
- Local practical examples.

The Regional Policy shall be regularly updated. The Regional Policy and any update thereof shall be communicated to the General Counsel and the VP Legal and Compliance as soon as available and, in any case, before deployment.

Regional policies must be made available to associates and, appropriate information and training must be offered to associates, where necessary, to ensure proper understanding and effective enforcement.

4. PROCEDURE

A five-step procedure:





POLICY 317

DEALING WITH BUSINESS PARTNERS

Scope: Applicable to all Sonepar Group ("**Sonepar**") associates
Entry into force: June 15, 2020
Version 1

1. WHAT YOU NEED TO KNOW

Sonepar has defined five categories of "Business Partners":

- Customers,
- Suppliers of Goods for Resale,
- Non-Trade Suppliers and Service Providers,
- Intermediaries,
- Joint-Venture Partners



What is a Customer?

A "**Customer**" is a legal entity or an individual that purchases a product or a service from a Sonepar company.

What is a Supplier of Goods for Resale?

A "**Supplier of Goods for Resale**" is a legal entity, generally a manufacturer, from which a Sonepar OpCo purchases finished goods to be re-sold to customers.

What is a Non-Trade Supplier or Service Provider?

A "**Non-Trade Supplier**", also known as a "**Service Provider**", is a legal entity or a person from which a Sonepar entity purchases goods or services to enable its activity, thus intended to be consumed or used by Sonepar rather than by its Customers.

This category also includes subcontractors providing services on behalf of a Sonepar entity.

These goods and services may be recorded in the books as general expenses (such as rent, office supplies or maintenance) but also as cost of sales (such as freight or packaging) or as fixed assets.

What is an Intermediary?

An "**Intermediary**" is a person who is engaged by a Sonepar company for the purpose of promoting business opportunities (such as the development,

distribution, marketing or sales of Sonepar) and/or gaining entrance into new markets or locations and is put in contact with or in between two or more trading parties. Examples of Intermediaries include agents, sales representatives, consultants or consulting firms, suppliers, distributors, resellers, subcontractors, franchisees, joint venture partners, subsidiaries and other business partners. Both natural and legal persons are included.

Depending on the situation, forwarders, custom agents and shipping companies may be considered as intermediaries.

External central purchasing and sourcing offices that receive a fee or commission on Sonepar sales to their members or affiliates are also considered as Intermediaries.

What is a Joint Venture Partner?

"**Joint Venture Partners**" are partners, firms and organizations coming together to perform a specific venture within or for a limited time. A joint venture may be an incorporated entity in which Sonepar holds an interest or a contractual agreement into which Sonepar has entered.

2. WHAT IS AT STAKE

Sonepar expects its Business Partners to comply with its high ethical standards and assesses their integrity.

Since Sonepar's reputation can be significantly impacted by Business Partners it chooses to have business dealings with, it is key to work only with Business Partners which comply with Sonepar values and rules of integrity.

3. POLICY

Careful **due diligence and monitoring** shall be exercised before and while dealing with Business Partners. Specific contractual provisions are always useful but sometimes not enough to protect Sonepar.

Integrity of Business Partners is evaluated by, among other things, reference to Sonepar's Corruption & Influence Peddling risk mapping and as per a risk-based approach.

Great care shall be used to apply the proper category to qualify a Business Partner. It is important to look at the substance of the relationship and that of the transaction, not just to rely on the contract title or the apparent third-party category.

Sonepar may be exposed to the risk of improper payments being channeled through Intermediaries. For this reason, Sonepar OpCos have deployed since 2018 a specific Group Procedure for Intermediaries.

Compliance with the following procedures is mandatory and will be audited. This Policy replaces and supersedes the Group Master Plan dated July 2018.

4. PROCEDURES

4.1 Procedure applicable for Third Parties Assessed by the Group

The largest International Business Partners are assessed by the General Counsel's Office. These, as well as their subsidiaries in the Countries where Sonepar operates, therefore do not need to be assessed at Country level.

The updated list of these international Business Partners ("**Third Parties Assessed by the Group**"), including their subsidiaries in each Sonepar Country, is confidentially shared online (via SharePoint) with the Compliance Champions and the designated associate(s) in charge of the Business Partner Assessment.

When needed and upon request, the assessment results of International Business Partners may be shared with the Compliance Champions, who may be provided with data on specific groups or companies.

4.2 Procedure applicable for Intermediaries

All Intermediaries shall by default be considered as bearing significant risks. Therefore, Sonepar has defined a Group standard procedure to assess, verify and approve Intermediaries.

The **minimum due diligence** to be performed includes an internal questionnaire in [Appendix 8](#) to the Manual and a search for records on an external database, such as Bureau Van Dijk, Dow Jones, AML, TRACE.

If a third party has two relationships with Sonepar, such as a Service Provider who also falls within the definition of an Intermediary, the Intermediary approval process must be applied.

All Countries must:

- Maintain a list of all active Intermediaries;
- Apply the Intermediary Assessment and Due Diligence Procedure set forth in [Appendix 7](#) to the Manual and in order to submit, assess and approve a new Intermediary account; and
- Monitor existing Intermediary accounts.

The Compliance Champion and the manager responsible for the Intermediary in the concerned OpCo must:

- Understand the services to be provided by the Intermediary;
- Be able to confirm that the services are legitimate, lawful and correspond to a genuine business need;
- Establish a factual basis to conclude that the Intermediary is capable of providing the services;
- Complete the due diligences detailed herein; and
- Take steps to ensure the Intermediary will provide services in full compliance with Sonepar's Code of Conduct and all applicable anti-corruption laws and regulations.

STEP 1 ASSESSMENT AND DUE DILIGENCE

The Intermediary Assessment and Due Diligence Procedure is set forth in [Appendix 7](#) to the Manual and the Intermediary Due Diligence Questionnaire is available in [Appendix 8](#).

The process shall be performed on the Group online platform TRACE TPMS, with a scoring matrix and a due diligence checklist also available in [Appendix 7](#).

Both must be completed whenever the use of an Intermediary is contemplated, including prior to any renewal or extension of an existing contract with an Intermediary.

If a policy and procedure reflecting the principles set herein is not already implemented, one shall be drafted and implemented either at the regional or country level **by December 31, 2020**.

The local policy shall be regularly updated. The local policy and any update shall be communicated to the General Counsel and the VP Legal and Compliance as soon as available and in any case, before deployment.

Local policies must be made available to associates and, appropriate information and training must be offered to associates, where necessary, to ensure proper understanding and effective enforcement.

STEP 2 APPROVAL

The **risk level** of the Intermediary determines the approval that must be obtained:

- “High Risk” Intermediaries must be approved in writing on the Group online platform TRACE TPMS by the relevant **Regional President** or support function SEC member.
- Other Intermediaries must be approved in writing on the Group online platform *TRACE TPMS* by the **Country top manager**, if any, or if none by such manager designated by the Regional President.

STEP 3 MONITORING

Sonepar monitors the relationship with its Intermediaries to prevent and detect risks such as corruption, cyber and operational risks. Therefore, Country top management, if any, or OpCo top management must implement a monitoring process for accounts once they have been assessed, approved and created.

Monitoring consists of **analyzing information gathered** from internal and external sources to supplement or update elements considered at the time of the initial risk assessment of the Intermediary, to **revise** or to **confirm** its risk level.

By category and risk level, a maximum period shall be defined between two periodic risk assessments. Within this interval, changes and events are captured from internal and external sources, which may lead to an earlier revision of the risk assessment.

If this capture is automated and the quality/number of sources is sufficient, the monitoring may be continuous and replace periodic assessments.

STEP 4 RECORD KEEPING

As a minimum, the following data shall be recorded, whether in paper or electronic format (for example, within the ERP), and be readily available for any active account:

- Name of the associate(s) who performed the preliminary assessment of the account and decided to initiate the relationship;
- Date of the request;
- Outcome of the due diligence, where applicable;
- Evidence of remediation, where applicable;
- Analysis supporting the final assessment, where applicable;
- Name of the decision-maker and date of the decision (i.e. name of associate validating, deferring or rejecting account setup, and date of creation, deferral or rejection).

All documentation resulting from due diligence and its outcome (i.e. decisions made) must be kept on file for the duration of the relationship and a minimum of **six (6) years** after the last payment made to the Intermediary.

4.3 Procedure applicable for Joint Venture Partners

Before an OpCo creates, or enters into, a Joint Venture with one or more third parties, it shall perform a due diligence on such third parties similar to that of Intermediaries (see procedure detailed in point 4.2 above and related appendices) and obtain proper approval for the operation as per the Group Approval Matrix.

4.4 Procedure applicable for other Business Partners (Customers, Suppliers and Service Providers)

A risk model adapted to the Country's size, business model, environment and risk profile has been defined at Country level and approved by the General Counsel's Office.

It specifies, for each category of Business Partners other than Intermediaries and Joint Venture Partners, the:

- Risk assessment criteria to be used; and
- Nature of the due diligences to be performed according to the risk level.

This risk model shall be reflected in a Country Policy that shall be regularly updated. Any update shall be communicated to the General Counsel and the VP Legal and Compliance as soon as available and, in any case, before deployment.

These policies must be made available to associates and appropriate information and training must be offered to relevant associates to ensure proper understanding and effective enforcement.



STEP 1 ASSESSMENT AND DUE DILIGENCE

Associates in the Sales and Purchasing Departments shall **gather information and documents** concerning the Business Partners with whom they intend to do business. They shall perform a preliminary assessment based on factual criteria, as detailed in the Country Policy.

Prior to engaging in business with a third party, associates shall review and complete the Business Partners Assessment process outlined in the Country Policy.

In higher risk cases, line management, back-office and compliance teams work together to get additional information on the potential Business Partners as required by the Country Policy or through the Business Partners Due Diligence Questionnaire (available in [Appendix 9](#) to the Manual). When appropriate based on the overall risk assessment, additional measures may be implemented to mitigate risks, such as requiring the Business Partner to certify its compliance with applicable anti-corruption laws or including compliance provisions in negotiated contracts.

STEP 2 APPROVAL

The risk level determines the approval level:

- In “Low Risk” cases, the preliminary assessment may constitute the final decision.
- The final decision, which must ultimately be validated by the top manager of the OpCo or the manager designated in the Country policy, for the “highest-risk” cases shall be based on due diligence analysis and advice provided by the Compliance Champion.
- In case of disagreement with management on highest-risk cases, the Compliance Champion has a duty to raise the issue with a higher-level executive and may seek the assistance of the VP Legal and Compliance.

STEP 3 MONITORING

Sonepar monitors the relationship with its Business Partners to prevent and detect risks such as corruption, cyber and operational risks. Therefore, Country management has implemented a monitoring process for accounts once they have been assessed, approved and created.

Monitoring consists of analyzing information gathered from internal and external sources to supplement or update elements considered at the time of the initial risk assessment of the Business Partner, to revise or to confirm its risk level.

By category and risk level, a maximum period is defined between two periodic risk assessments. Within this interval, changes and events are captured from internal and external sources, which may lead to an earlier revision of the risk assessment. If this capture is automated and the quality/number of sources is sufficient, the monitoring may be continuous and replace periodic assessments.

STEP 4 RECORD KEEPING

As a minimum, the following data shall be recorded, whether in paper or electronic format (for example, within the ERP), and be readily available for any active account:

- Name of the associate(s) who performed the preliminary assessment of the account and decided to initiate the relationship; date when the decision was recorded (i.e. name of associate requesting account setup and date of the request);
- Outcome of the due diligence, where applicable;
- Evidence of remediation, where applicable;
- Analysis supporting the final assessment, where applicable;
- Name of the decision-maker and date of the decision (i.e. name of associate validating, deferring or rejecting account setup, and date of creation, deferral or rejection).

All documentation resulting from due diligence and its outcome (i.e. decisions made) must be kept on file for the duration of the relationship and a minimum of **six (6) years** after the last payment.

SCOPE/COUNTRY AS OF DATE	Number of Active Business Partners	Number of Business Partners Assessment and Due Diligence Completed	Number of Business Partners Approved	Number of Business Partners Deferred	Number of Business Partners Rejected	Number of Business Partners Assessed at Group Level	Number of Business Partners Assessment or Due Diligence in Progress	% Completion
Customers		-					-	-
Suppliers of Goods for Resale		-					-	-
Non-Trade Suppliers & Service Providers		-					-	-
Intermediaries		-					-	-
Joint Venture Partners		-					-	-
Total	-	-	-	-	-	-	-	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
		(2) = (3) + (4) + (5) + (6)			(7) = (1) - (2)			

KPIs - REPORTING

Each Country must compute the number of active Business Partners by category including, for each category, the numbers that were subject to a due diligence and the numbers that were approved, deferred and rejected.

These KPIs must be reported to the VP Legal and Compliance and the VP Risks and Insurance twice a year (end of June and end of December of each year) using the below enclosed template:

The first column, **“Number of Active Business Partners”**, includes all active Business Partners including Third Parties Assessed by the Group.

The **“Deferred”** status is assigned to a Business Partner for which the preliminary assessment and related due diligence have been completed, with some issues (**“red flags”**) requiring to agree on a remediation plan. Such a Business Partner has the **“Deferred”** status pending the remediation plan.

Once the remediation is complete, the Business Partner will move from **“Deferred”** to **“Approved”** or **“Rejected”** if the remediation consisted of terminating the business relationship.

Business Partners whose assessment or due diligence is not yet completed are not **“Deferred”**, but **“In Progress”**.



POLICY 318



ACQUISITIONS

Scope: Applicable to all Sonepar Group (“Sonepar”) associates
Entry into force: June 15, 2020
Version 1



1. WHAT IS AT STAKE

Sonepar could be subject to investigation, fines and other penalties for acts of Corruption committed by an acquired company after but also, in some cases, prior to its acquisition.

2. POLICY

The purpose of this Policy is to assess the compliance program and track record of a prospective target beyond matters covered by the traditional financial and legal due diligence checklists.

Compliance-related due diligence with respect to target companies is critical and **must be systematic**. It must include questions related to Corruption, among others.

Findings of these due diligences must be taken into account when considering the acquisition merits of the target company or business.

3. PROCEDURE

The applicable procedure and related due diligence templates can be found in the Acquisition Book.

The Acquisition Book is available upon request to the General Counsel’s Office and the HQ Finance Department.

4. EXAMPLES

4.1 Sonepar is negotiating to purchase an entity to expand in a new country. The seller really wants to make the deal. Sonepar’s project leader in charge of the acquisition offers the seller to ask for a higher price and to pay him part of the difference as a reward. In counterpart, he will push to complete the deal as soon as possible. Is it a problem?

The proposal is definitely illegal and will be sanctioned.

4.2 Sonepar is negotiating to purchase an entity to further expand in a country where Sonepar already operates. During the due diligences, a project team member identifies several red flags of potential corruption. What should he do?

The project team member shall immediately inform the project team leader and the Legal, Risk and Compliance network to investigate further the “red flags”. The project team leader shall promptly inform the Investment Committee.



POLICY 319

ACCOUNTING AND FINANCIAL RECORDS

Scope: Applicable to all Sonepar Group ("**Sonepar**") associates
Entry into force: June 15, 2020
Version 1



1. POLICY

In order to monitor the Group's financial performance and ensure compliance with regulatory requirements, it is necessary to ensure that transactions and business activities are properly recorded.

2. PROCEDURE

This procedure is a reminder of the **basic principles** concerning accounting and book keeping in order to prevent Corruption. They must be strictly applied.

- All financial transactions must be recorded accurately in dedicated P&L accounts and in accordance with the Group Finance Manual, with reasonable detail and in a timely manner.
- A complete analysis of journal entries must be performed, supported by appropriate documentation and discrepancies justified.
- Every accounting control defined in the Internal Control Manual and relating to the prevention of Corruption is properly implemented.
- Accounting procedures must be supported by the necessary local internal controls and all OpCos' books and records must be available for audit.
- Associates must never make false or artificial entries nor falsify documents.
- Associates must never create nor help create any records that are intended to conceal anything that is improper such as fraud, Corruption or Influence Peddling.
- Associates must never make unusual or improper financial arrangements such as over-invoicing or under-invoicing.
- Associates must promptly report any false, misleading, incomplete, or inaccurate statements, records or transactions that do not appear to serve a legitimate commercial purpose. Such reports must be investigated.

POLICY 320

CONFLICT OF INTERESTS POLICY

Scope: Applicable to all Sonepar Group ("**Sonepar**") associates
Entry into force: June 15, 2020
Version 1



"Sonepar's high standards of integrity require that our associates act in the best interests of Sonepar and our stakeholders. Associates are expected to always be aware of and avoid any potential Conflict of Interest."

1. WHAT YOU NEED TO KNOW

A "**Conflict of Interest**" occurs when two interests are in direct opposition, even if no unethical or improper act results.

Each associate owes a duty of loyalty to act in Sonepar's best interest. A personal Conflict of Interest arises where that duty comes into conflict with a personal or financial interest of the associate or of any person with whom the associate has a Close Personal Relationship.

A Conflict of Interest may affect someone's ability to act with integrity, impartially and independently and may influence or appear to influence one's judgment.

For instance, a Conflict of Interest exists:

- Where one or both parties in a relationship receive or give improper or unfair advantage or preferential treatment because of their relationship.
- If somebody has a direct or indirect personal interest in a decision being made where the decision should be made, and should be seen

to be made, objectively, free from bias, and in Sonepar's best interests.

- If the personal or financial interests of an associate or those of his Family or of persons with whom he has a Close Personal or business Relationship, conflict or may potentially conflict with Sonepar's interests, or, interfere or could interfere with his judgment, objectivity, independence, impartiality or loyalty in the performance of his/her duties within Sonepar.

"**Family**" includes the associate's spouse or life partner, children, grand-children, parents, parents in law, grandparents, siblings, brothers and sisters-in law, sons and daughters-in law, nephews, nieces and cousins and any person living with the associate.

A "**Close Personal Relationship**" with the associate, means a relationship going beyond common friendship to one where the person in question is part of the associate's close inner circle of friends or is a person with whom the associate has an intimate relationship.

2. WHAT IS AT STAKE

A Conflict of Interest, in which the associate's or a third party's personal interests may take precedence over Sonepar's interests, can jeopardize the quality and legality of a decision or action.

Besides resulting in inefficient or costly commercial transactions, loss of business and lower morale among other Sonepar associates, the main risks for Sonepar and its associates are:

- **Civil or criminal prosecution.**
- **Reputational risk** that calls into question the trustworthiness of the business. Damage to a company's reputation can result in lost revenue or decrease of shareholder value.
- **Disciplinary sanctions:** all violations of this Conflict of Interest Policy will be taken very seriously. Failure to comply may result in **disciplinary sanctions, up to and including termination of employment, and potential legal actions against the offenders.** These measures will always be adopted with due regard to local laws.

3. POLICY

All associates must promptly report any fact from their personal and/or professional life that may give rise to an actual or perceived Conflict of Interest using the Statement of Conflict of Interest attached in [Appendix 10](#).

To manage Conflicts of Interest, Sonepar has established a general prohibition on certain Conflicts of Interest, whereas certain other conflicts may be permissible but are subject to compulsory authorization procedures as detailed below.

You will find below basic rules of conduct that must be applied at all times:



DO's:

- ▶ Ensure that your decisions and actions are consistent with Sonepar's interests and are not influenced by any personal interests or interest of any Family member or person with whom you have a Close Personal Relationship;
- ▶ Act with transparency and objectivity while assessing situations that might represent a Conflict of Interest;
- ▶ Identify and report in writing any actual, potential or appearance of Conflict of Interest to avoid ambiguity;
- ▶ Remove yourself from the decision-making process when a Conflict of Interest arises, may arise or may appear to exist.
- ▶ When in doubt as to whether a situation may violate this policy, always be prudent and ask or seek approval, disclosing all relevant information.



DON'Ts:

- ▶ Conceal any information on any actual or potential Conflict of Interest.

Associates may be asked from time to time or in certain circumstances to fill in the Statement of Conflict of Interest available in [Appendix 10](#).



4. REGULATED SITUATIONS

4.1 Strictly prohibited situations

- No associate shall procure, solicit or accept directly or indirectly a personal gain or benefit (except for the Gifts and Invitations authorized as per the Gift, Invitation and Travel-related expenses Policy), or, a gain or benefit for Family or for a person with whom he has a Close Personal Relationship, granted to him or to Family or to a person with whom he has a Close Personal Relationship, because he/she is a Sonepar associate.
- No associate shall offer or influence an offer of a job to any member of his Family, or, to any member of the Family of an associate, or, to a person with whom he has a Close Personal Relationship. Associate may, however, recommend someone.
- No associate shall use Sonepar's assets or resources for his/her own personal use, unless approved by management.
- No associate shall (i) personally offer or participate in any form of consultancy or professional services to a supplier, customer or prospective supplier or customer, or (ii) compete with Sonepar or work for a competitor of Sonepar.

- No associate shall directly or indirectly acquire an interest or a personal gain or benefit in a competitor of Sonepar, except for the acquisition of shares on a public stock exchange to the extent it does not grant significant influence over the affairs of the competitor.

4.2 Situations requiring prior written approval

No associate may, without prior written approval from both his/her direct manager and his/her HR Department:

- Accept appointments to serve on boards of directors of a company outside of Sonepar, or, to serve on the boards of a professional or trade association, or, to serve as a political appointment at a local or national level.
- Take a second job or employment with a competitor or other entity that does business with Sonepar or the associate's OpCo.
- Acquire or maintain an interest in a Sonepar's subcontractor, supplier or customer except for interest in shares on a public stock exchange to the extent it does not grant significant influence over the affairs of such third party.

In the case of a SEC member, the CEO prior written approval is required.





4.3 Situations subject to written notification

Any associate must immediately inform in writing both his/her direct manager and his/her HR Department, if:

- He/she has **in his reporting line** any Family, or, any person with whom he has a Close Personal Relationship.
- He/she has any Family, or, a person with whom he has a Close Personal Relationship, **working for or in a subcontractor, supplier, or customer of Sonepar** with which the associate is directly or indirectly involved.
- He/she has any Family, or, a person with whom he has a Close Personal Relationship, employed by **a Sonepar competitor** in the same area of business with which the associate is directly or indirectly involved.

5. PRACTICAL EXAMPLES

5.1 An associate is aware of a relative applying for a position within the Sonepar Group and happens to know the person in the Human Resources Department who will oversee the hiring process.

Can the Sonepar associate give a call to his contact to ease the process for his/her relative?

The answer is clearly NO. It would create an obvious Conflict of Interest and the Sonepar associate shall keep from interfering to maintain complete impartiality in the recruitment process.

5.2 A Sonepar associate's wife works for a competitor and they regularly bid on the same requests for proposal. Is this an issue?

There is a clear Conflict of Interest and all appropriate internal measures shall be taken to ensure that:

- *The Sonepar associate provides notice of the potential conflict to his manager;*
- *The Sonepar associate and his wife do not work on the same customer/supplier accounts;*
- *The Sonepar associate undertakes not to communicate to his wife any non-public information collected as part of his job.*

5.3 A Sonepar associate is negotiating an agreement with a supplier who has been supplying Sonepar for years. Over the years, they have developed a friendship and even see each other from time to time during the weekends. Is it an issue if the two of them sign the agreement without involving anyone else?

Yes, there is a potential Conflict of Interest. The Sonepar associate must inform his/her manager of the situation and get internal approval prior to moving forward.



POLICY 330

FAIR COMPETITION POLICY

Scope: Applicable to all Sonepar Group ("**Sonepar**") associates

Entry into force: June 15, 2020

Version 1



"Sonepar is committed to conducting its business activities openly and fairly, in full compliance with the competition laws and regulations of the jurisdictions in which it does business.

We make clear to our associates and business partners that we take these regulations very seriously and expect strict compliance therewith."

1. WHAT YOU NEED TO KNOW

Competition laws promote free and fair competition for the benefit of all business partners by promoting open and dynamic markets.

Over 100 countries have adopted competition laws.

These laws generally:

- prohibit agreements or understandings between competitors that undermine competition;
- regulate the behavior of dominant companies;
- require prior review and, in some instances, clearance for mergers, acquisitions and certain other transactions, in order to prevent transactions that would substantially reduce competition.

These laws are complex and vary considerably from country to country (especially, outside the European Union). Conduct allowed in one country can be unlawful in another.

Behaviors or practices that may alter or reduce the level of competition in a given market, whether voluntarily or not, must be approached with the greatest possible care.

Sonepar may sometimes hold a significant market share in particular locations, which requires extra caution to comply with competition laws and regulations, in particular with regards to abuse of dominant positions.

2. WHAT IS AT STAKE

Violation of competition laws may be severely sanctioned by competition authorities. The number of investigations has significantly increased in the past years. Violation of competition laws may result in:

- **Significant fines and penalties:** depending on the jurisdiction, the competition authorities can impose fines of **up to 10% of the total Group turnover** (even if the infringement is committed by only one legal entity). Associates may also have to pay fines.

- **Litigation and civil damages:** the Group can face civil lawsuits brought by consumers or other companies who can demonstrate that they have suffered from anticompetitive practices. Consequences are generally more severe in jurisdictions where class actions are possible.
- **Contractual risk** is significant. Breach of competition laws could be a legal reason for termination of contracts. The terms that violate competition laws will be declared null and void by courts and authorities.
- **Reputational risk:** the reputation of the Group could be jeopardized, given the unethical nature of the behavior and the publication of decisions by competition authorities.
- **Prison:** in many jurisdictions, associates who violate competition laws may be criminally prosecuted and may face imprisonment.
- **Disciplinary sanctions:** all violations of this Fair Competition Policy will be taken seriously. Failure to comply may result in **disciplinary sanctions, up to and including termination of employment, and potential legal actions against the offenders.** These measures will always be adopted with due regards to local laws.

3. POLICY

The aim of this Policy is to make all associates aware of the basic principles of competition law.

Many rules are based on common sense. In particular, the Group's behavior must not:

- obstruct free access to the market by its direct competitors; or
- obstruct the commercial freedom of its distributors and customers.

Some practices do, however, require more in-depth knowledge of applicable legislations. If you have even the slightest doubt, please contact the Legal, Risk and Compliance Network.

3.1. Prohibited agreements between competitors

Competition laws and regulations prohibit agreements between actual or potential competitors that could have an anticompetitive effect.

In this context, the concept of “**agreement**” is broadly defined and can include a range of conduct, such as collusive arrangements, exchanges of information, concerted actions and understandings affecting or attempting to affect competition.



Agreements automatically illegal:

- **Price fixing** – Agreements between actual or potential competitors to fix, maintain or raise prices;
- **Agreement on production / output capacity** – Agreements between actual or potential competitors to limit production or output capacity as they inevitably result in maintaining or raising prices;
- **Market sharing schemes** – Agreements between actual or potential competitors to share customers or markets;
- **Bid rigging** – Agreements between competing bidders to submit pre-arranged bids to answer a call for tender.

Exchange of sensitive information

The exchange of commercially sensitive information between actual or potential competitors artificially increases the level of transparency on a market and thereby reduces competition by removing uncertainty over competitors' behavior and strategy. It also increases the risk of coordination.

Unless expressly authorized under local laws, it is therefore **strictly prohibited to exchange, directly or through any third party (e.g. customer, supplier, agent), any commercially sensitive information with competitors**, including among others:

- Current, future or past prices;
- Market share;
- Profits;
- Volume of business;
- Customer names;
- Terms of sales;
- Intentions regarding call for tenders;
- Estimated company costs;
- Distribution techniques;
- Potential investments.

There is a very limited number of cases in which actual or potential competitors may exchange certain sensitive information due to the need to enter into a legal agreement or hold negotiations in view of a take-over or sale process.

Certain information may only be exchanged during the final stages of the take-over or sale process, with staff subject to the level of confidentiality necessary for the transaction.

The content and scope of these exchanges of information must be submitted for in-depth analysis and clearance to the Legal, Risk and Compliance network.





Trade associations

Professional associations or organizations bring together all the participants in the economic chain and, more specifically, mutual competitors.

Particular care must be paid to the exchanges that take place via these professional associations.

You must therefore check beforehand that:

- the association has a legitimate role;
- the association has internal rules raising members' awareness on competition laws;
- the meetings are organized around an agenda, which is observed and does not refer directly or indirectly to prohibited practices or imply any exchange of sensitive information;
- minutes are drawn up after each meeting.

If any prohibited practices are implemented, discussed, or even referred to in the course of the meeting by representatives of competitors, you must immediately request that:

- these discussions be broken off;
- you publicly and specifically express your opposition;
- you check that the minutes of meeting make reference to your statement; and
- you must immediately leave the meeting.

3.2. Relations with suppliers and customers

Agreements with supplier or customers may sometimes be illegal if found to substantially lessen competition.

Each business partner must remain free to independently set the price they wish, depending on their costs incurred, and must not be influenced in any way.

A supplier may **recommend** a resale price to its distributor but cannot impose (or even control the application of) these prices, as this would constitute clear restriction of competition.

Exclusivity

It is generally permissible to enter into exclusivity agreements with customers/distributors, such as granting exclusive territories, restricting their sales to a particular territory, or prohibiting them from selling competing products, as long as:

- there is a legitimate business reason; and
- the restriction is not a result of an agreement with a competitor or other distributors.

Exclusivity shall have a positive effect on the market.

In certain jurisdictions, it shall also be of reasonable duration (for example, less than five (5) years in the European Union).

In order to ensure an exclusive distribution agreement complies with local laws and regulations, please consult your local policy or contact the Legal, Risk and Compliance Network.

Boycott

A boycott occurs when two competitors agree not to supply a customer/distributor or to block the market for another competitor.

Such behavior is **illegal**.



3.3. Prohibition of Abuse of Dominant Position

Dominant position is not, in itself, illegal. What is prohibited is the abuse of a dominant position in ways that deter or render it unfeasible for other companies to join, remain or compete in a normal way in the market.

In other words, you cannot seek the foreclosure of the market to actual or potential competitors. Your behavior cannot be of a nature to reinforce the natural dominant position and to impede the development or maintenance of effective competition.

Behavior (e.g. terms of contracts, rebate policy) can be abusive in light of their effects, even if it did not intend to injure competitors or consumers.

Always consider the impact that your behavior can have on competitors and consumers.

3.4. Merger filings

Competition law requires that transactions above a certain monetary threshold, including transactions involving a combination of companies or businesses (through acquisition,

merger or creation of Joint-Venture) that were previously independent, receive prior approval of the Competition Authorities.

Failure to comply with merger control regulations could result in the cancellation of the transaction and the imposition of a substantial fine calculated on the basis of the total turnover achieved by the Sonepar Group.

The legal standards for review vary widely among jurisdictions. Please consult the Legal, Risk and Compliance Network.

3.5. Careful communication

The use of certain words or phrases in communication can be misunderstood or misinterpreted as indicative of an anticompetitive intent. Likewise, offhand comments and jokes may be misconstrued when viewed out of context.

Almost everything written may be disclosed publicly by a Competition Authority inquiry or an adversarial proceeding, so you should be very careful with the language used in any written and oral communication, whether internal or external.

TO KEEP IN MIND

DOs

- ▶ Comply with all applicable competition laws and regulations;
- ▶ Compete fairly at all times;
- ▶ Avoid formal or informal business contacts with competitors;
- ▶ Avoid disclosing any inappropriate and sensitive information to third party;
- ▶ Pay attention to your written communication and avoid using misleading words or making jokes;
- ▶ Consult your Legal Department orally if you have even a slightest doubt on the legality of an action.

DON'Ts

- ▶ Enter into any unlawful discussion or agreement with a competitor about prices, margins, rebates, costs, stock levels, allocation of customers, suppliers, territories, associates or contracts;
- ▶ Share directly or indirectly (sensitive) information with competitors, including in particular in trade associations;
- ▶ Denigrate or discredit competitors in any manner;
- ▶ Do not implement any acquisition or merger without having consulted the Legal, Risk and Compliance Network.

6. PRACTICAL EXAMPLES

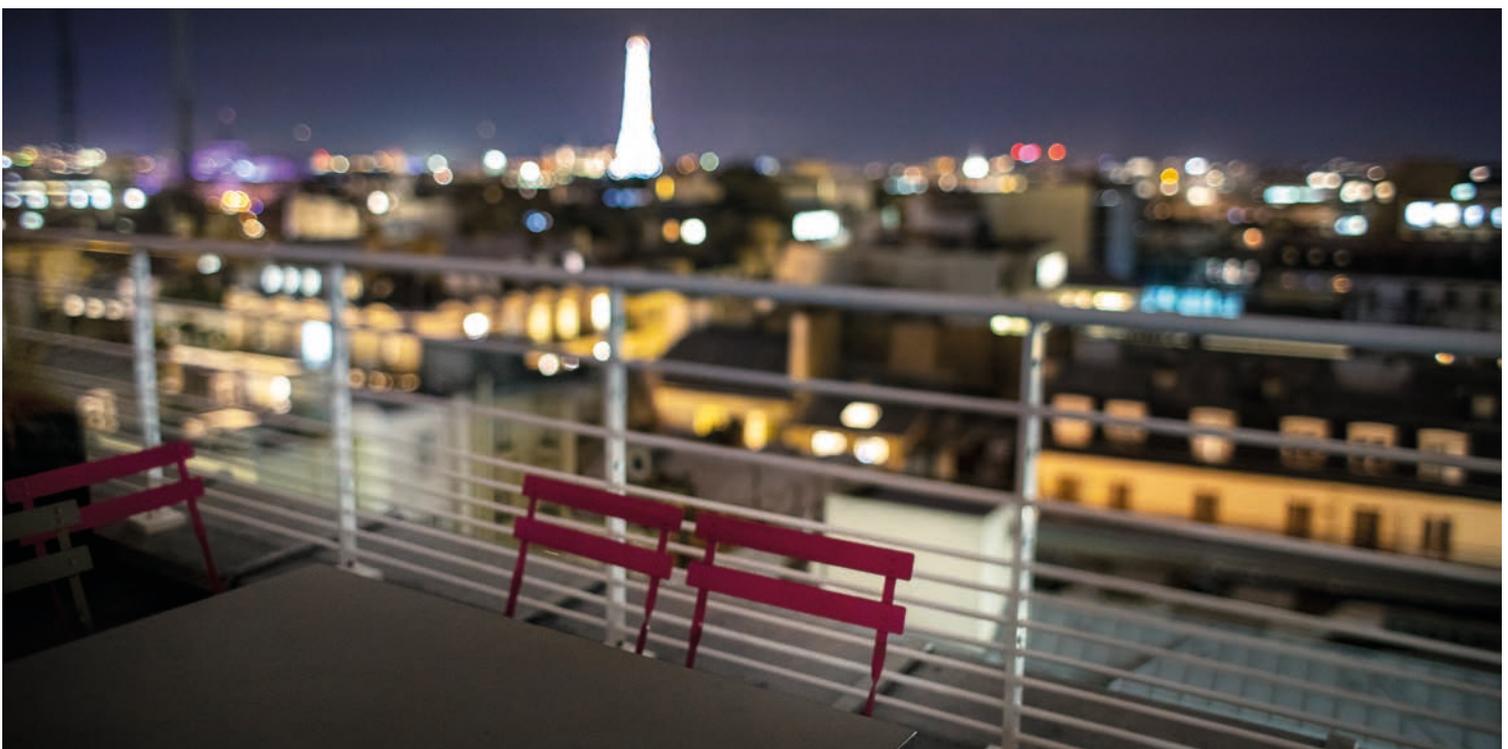
6.1 *On a Saturday night, a Sonepar associate has an "off the record conversation" about the prices he will quote for a major project with an old friend working for a competitor also submitting a quote for this project. They agree to provide the same quotes, in the hope, to be both engaged by the customer to provide different supplies for the project. Is it a problem?*

Although this conversation took place outside working hours and was "off the record", it is illegal. An agreement was made between competitors to fix prices for the sale of the products.

6.2 *One customer is notoriously known for making very late payments to its suppliers. A salesperson at a competitor suggests that you join efforts and stop delivering to this customer until the payment conditions are improved. You feel it make be a good way to solve the problem in the long term and the customer may begin paying on time. Are you right?*

Two competitors cannot agree to boycott a customer by refusing to sell to them. This conduct is illegal.

However, if both competitors come to this decision independently without colluding, it could be a reasonable commercial decision.





POLICY 340

INTERNATIONAL TRADE CONTROL POLICY

Scope: Applicable to all Sonepar Group (“Sonepar”) associates
Entry into force: June 15, 2020
Version 1

“The selling of imported or exported products, materials or technologies may be subject to specific regulations. Some countries also impose restrictions on business dealings with certain entities and individuals. Sonepar complies with all applicable laws governing international trade.”

1. WHAT YOU NEED TO KNOW

Sanctions or restrictive measures have frequently been imposed by the European Union (“EU”), the United States (“US”) and other jurisdictions in recent years, either on an autonomous basis or through Resolutions of the Security Council of the United Nations. They are instruments of a **diplomatic and economic nature** that seek to bring about a change in activities (such as terrorism or drug trafficking) or policies (such as violations of international law, human rights, rule of law or democratic principles).

Sanctions measures target countries, governments, or non-state entities and individuals (such as terrorist groups and terrorists). They comprise arms embargoes, other specific or general trade restrictions (import and export bans), financial restrictions, restrictions on admission (visa or travel bans), and/or other regulations. These measures are often referred to as “embargo”, “sanctions” or “export control” laws. They are hereinafter collectively referred to as “**Economic Sanctions**”.

With its headquarters in France and a large portion of its revenue generated in the US, the Group is primarily concerned with the Economic Sanctions adopted by the EU and the US. However, laws and regulations of other jurisdictions (including without limitation the United Kingdom or Canada) may apply depending on factors such as the place of incorporation of the concerned legal entities, the citizenship of the employees involved, the place of performance of the services or delivery of the goods, etc. These measures are highly complex and evolve regularly.

Specific attention shall be paid to Dual-use Goods. **Dual-use Goods** are goods, software and technologies that can be used for both civilian and military applications. The EU and the US control the export, transit and trading of Dual-use Goods, for which a specific license is required, as part of the promotion of international peace and security and prevention of the proliferation of weapons of massive destruction. Some electrical products are included in the EU and US lists of Dual-use Goods.

Economic Sanctions, particularly those imposed by the EU and the US, frequently apply to conduct outside the legislating jurisdiction (“**extraterritorial reach**”). Particular attention shall be paid to US “**secondary sanctions**” which allow US authorities to prosecute a company or individual for acts committed outside the United States so long as there is some kind of link between the unlawful act and the US.

Economic Sanctions cover a range of conduct, including but not limited to:

- The export and re-export of goods or supply of services, whether directly or indirectly, to a prohibited or sanctioned country, territory, entity or individual, without the appropriate license or authorization;

- The export, re-export, or transfer of defense, nuclear or repression-related goods, technology or services or controlled goods (Dual-use Goods), commodities, software, technical data or technology without the appropriate license or authorization;
- Imports or receipt of goods or services from, or dealings in goods or services originating in, a sanctioned country, territory, entity or individual, without the appropriate license or authorization;
- Investment in a sanctioned country or territory, or in a particular sector in that country or territory;
- Any other business or financial dealings with or involving a sanctioned country, territory, entity or individual.



2. WHAT IS AT STAKE

The consequences for failing to comply with the Economic Sanctions are severe and may include:

- **Significant fines and penalties.**
- **Reputational risk:** it is a risk related to the trustworthiness of business. Damage to the company’s reputation can result in lost revenue or decrease of shareholder value.
- **Breach of financing agreements.**
- **Revocation of licenses to operate.**
- **Suspension or debarment:** companies may be prohibited from making sales to governments or public organizations, which could have a major financial impact.

- **Prison sentence** as breaches can constitute a criminal offense (financing of terrorism, for example).

3. POLICY

It is Sonepar’s policy and commitment to comply with applicable Economic Sanctions.

Consequently, Sonepar associates shall be careful when initiating and doing international business with suppliers and/or customers in certain countries to prevent any breach of Economic Sanctions. It is therefore critical to complete appropriate due diligence when the business dealing somehow involves sensitive goods or territories.

You will find below **basic rules of conduct** that must be applied at all times:

DO's:

- ▶ Comply with applicable import or export control regulations;
- ▶ Obtain from appropriate authorities any license required for the import or export, re-export of goods in/from a specific country;
- ▶ In cross border transactions involving sensitive countries or goods, conduct an integrity check to ensure the potential business partner is not on a sanctions list or country of origin/destination of the goods is not subject to Economic Sanctions;
- ▶ In cross border transactions involving sensitive countries or goods, request information on the end-user and end-use from the customer when available.
- ▶ Comply with trade control obligations contained in contracts with business partners;
- ▶ Insert compliance with Economic Sanctions provisions in cross border sales contracts.

DON'Ts:

- ▶ Enter into or renew a cross border business relationship involving sensitive countries or goods without conducting a proper integrity check;
- ▶ Conduct business without a required license;
- ▶ Turn a blind eye on exports which you have reasons to believe or suspect are ultimately intended for a country or person under sanctions.

The procedure below applies to commercial transactions involving the following sensitive countries (import, export or re-export) (note that such list may evolve from time to time) and/or sensitive goods:

- Balkans
- Belarus
- Burundi
- Central African Republic
- Cuba
- Democratic Republic of the Congo
- Egypt
- Guinea - Republic of
- Guinée-Bissau
- Iran
- Iraq
- Lebanon
- Libya
- Mali
- Myanmar (Burma)
- Nicaragua
- North Korea
- Somalia
- Sudan and Darfur
- South Sudan
- Syria
- Tunisia
- Turkey
- Ukraine
- Russia
- Venezuela
- Yemen
- Zimbabwe

This procedure is mandatory and compliance therewith will be audited from time to time.

4. PROCEDURE

A five-step procedure:

STEP 1 DUE DILIGENCE

To proceed with a proper integrity check of your international project, you will first have to gather the following information:

- Full name and place of incorporation of involved parties, including without limitation the customer, importer, exporter, manufacturer, end-user;
- Description of the goods and services to be delivered under the contemplated transaction;
- Place of delivery of the goods or performance of the services (list all countries involved);
- Whether the customer intends to re-export or resell the goods and, in such case, check who and where is the end-user;
- Estimated contract value and duration of the envisaged transaction;
- Currency of payment;
- List of all OpCos that would be involved in the project;
- Whether any EU and/or US personnel or services providers will be involved in the contemplated project;
- Whether the project has a US nexus;
- Licenses requested to export/import the goods, if any;
- Collect any other useful information and materials (e.g. pro forma invoice, brochure, website, business license, ID, etc.).





1. The **country involved** in the project is not subject to Economic Sanctions.

The below links may be used to find information:

EU list of Restrictive Measures in Force	https://www.sanctionsmap.eu/#/main
US list of Sanctions Programs and Country Information	https://www.treasury.gov/resource-center/sanctions/programs/pages/programs.aspx

2. The **business sector** is not subject to Economic Sanctions.

The links available in point 1 above can be used to find information.

3. The **goods and services** to be supplied are not subject to restrictions and/or considered as Dual-use Goods.

The links available in point 1 can be used to find information.

The lists of **Dual-use Goods** may be found using the following links:

EU list of Dual-use Goods	https://ec.europa.eu/trade/import-and-export-rules/export-from-eu/dual-use-controls/export-from-eu/dual-use-controls/
US list of Dual-use Goods	https://www.bis.doc.gov/index.php/licensing/forms-documents/doc_download/91-cbc-overview

If the goods enter in the list of Dual-use Goods, carefully check the ultimate use of the goods, the ultimate customer and country of destination.

4. No entities or individuals involved in the project are **blacklisted**.

The due diligence tool(s) used in your country, such as Bureau Van Dijk or Dow Jones Risk and Compliance, may be used. The Legal, Risk and Compliance Network may provide you with the necessary support.

The Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions can be found at: <https://data.europa.eu/euodp/en/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions>

Persons and legal entities subject to US Economic Sanctions can be searched at <https://sanctionssearch.ofac.treas.gov/>

You can also check whether an agency in your country provides a consolidated list of sanctioned persons and entities. As an example, the French Treasury Department provides a regularly updated consolidated list at the following link: <https://www.tresor.economie.gouv.fr/services-aux-entreprises/sanctions-economiques/tout-savoir-sur-les-personnes-et-entites-sanctionnees>

5. The project has a **US Nexus**.

- The transaction involves US persons (individual or legal entities), as defined below:
 - US registered entity or any legal entity controlled by a US registered legal entity;
 - US citizens including dual citizenship;
 - Permanent resident aliens (green card holders);
 - Non-US person that is physically in the US (even for a short period of time such as vacations).
- The goods sold come from the US or US goods are incorporated within the product ultimately sold.
- The transaction is settled in US dollars.
- The emails exchanged go through a US server;
- Meetings regarding the project held in the US.

If the project has a US nexus, **additional care** shall be used.

STEP 3



DECISION MAKING

- 1. Transactions involving the following countries **are prohibited under Sonepar's policy: Iran, Sudan, Syria, North Korea, Venezuela, Cuba.**
- 2. If you have identified any "red flag" regarding, e.g. a blacklisted individual or entity, a prohibited business sector or the involvement of Dual-use Goods, the final decision to proceed shall be made by the Regional President, after having consulted the Regional General Counsel or the Country Head of Legal, as the case may be.
- 3. For Dual-use Goods, make sure to obtain any required license before proceeding.

STEP 4



CONTRACT

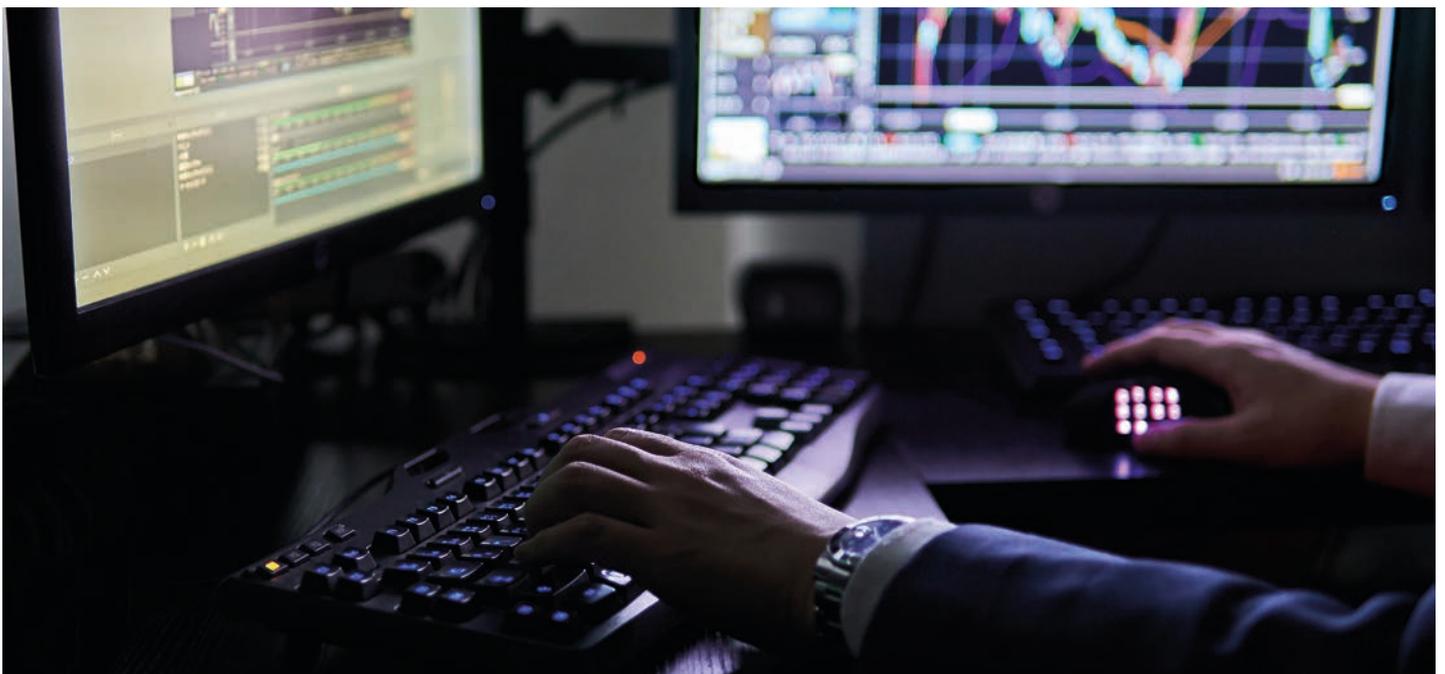
Whenever practicable, provisions should be added to the contractual documentation to ensure that Sonepar (i) will not be liable for any breach of Economic Sanctions and (ii) will be able to terminate the contract shall the other party breach Economic Sanctions, become subject to sanction or should the object of the contract being targeted by Economic Sanctions.

STEP 5



RECORD KEEPING

In any case, you must keep records of all due diligence conducted for audit purposes, regardless of the decision ultimately made and whether or not the sale or purchase is finally made.



POLICY 350



PERSONAL DATA PROTECTION

Sonepar Group associates, candidates and service providers whose Personal Data are processed by Sonepar SAS and/or Sonepar International SAS (hereinafter “Sonepar” or “we”) for the purposes listed in Policies 351, 352 and 353

Entry into force: June 15, 2020

Version 1



The **Sonepar Group** places great importance on the protection of Personal Data and privacy of its associates, candidates and service providers.

The **Sonepar Group** complies with the Personal Data protection regulations in force in countries in which it operates, in particular, the EU General Data Protection Regulation no. 2016/679 of 27 April 2016 (“**GDPR**”), as well as the national regulations adopted thereunder.

Three different Privacy Policies are implemented for the personal data processed by Sonepar SAS and/or Sonepar International SAS:

- Policy 351 – Associates Privacy Policy;

- Policy 352 – Candidates Privacy Policy;
- Policy 353 – Service Providers Privacy Policy.

They all purport to describe (i) how Sonepar, in its capacity as controller, collects and uses personal data of its associates, candidates and service providers for the purposes listed in such policies, as well as (ii) how you can monitor such use and exercise your related rights.

Policies 352 and 353 are available either on Sonepar’s Corporate website or on *MySonepar*.

Local policies are also available for the Processing operations performed by other Sonepar Group entities on Personal Data.

Sonepar’s Commitments:

In accordance with applicable laws and regulations, Sonepar undertakes to observe the following fundamental principles:

Transparency: we will provide you with all relevant information on the purposes of the processing of your personal data and on the recipients of those data.

Legitimacy and Relevance: we only collect and process data as necessary for the purposes described in the above-listed Policies.

Confidentiality and Integrity: we implement all reasonable technical and organizational measures to protect your personal data from destruction, loss, alteration, disclosure or unauthorized access by a third party.

Storage: we do not keep your personal data for any longer than necessary for the purposes of the concerned processing operation.

Data Subject Rights: you are entitled to exercise your rights with respect to your personal data collected by Sonepar (for example, you may access and modify your personal data)



POLICY 351

ASSOCIATES PRIVACY POLICY

Sonepar Group associates whose Personal Data are processed by Sonepar SAS and/or Sonepar International SAS (“Sonepar” or “we”) for the Purposes listed in Appendix 1, including temporary staff, interns and apprentices
Entry into force: June 15, 2020
Version 1



1. WHAT YOU NEED TO KNOW

“**Personal Data**” means information by which a natural person can be identified directly (for example, by reference to a first or last name) or indirectly (for example, through a phone or ID number).

Personal Data “**Processing**” means an operation or set of operations performed on Personal Data (such as collection, structuring, storage, alteration, disclosure).

The “**Purpose**” of the Processing operation is the primary objective in using the Personal Data.

The data are collected for a specified, legitimate objective and are not further processed in a manner that is incompatible with that initial objective.

The “**Controller**” is the natural or legal person who decides whether the Personal Data should be processed and how that Processing operation will be performed, in particular by determining what Purposes the data will serve and the tools that will be used for their Processing.

The “**Recipient**” is the natural or legal person to whom your Personal Data are disclosed.

2. FOR WHAT PURPOSES DO WE COLLECT AND PROCESS YOUR PERSONAL DATA?

The main Purposes of the Processing of your Personal Data are listed in [Appendix 11](#) to the Manual.

Sonepar collects and processes your Personal Data when it is necessary in order to:

- ensure proper performance of employment contracts and organization of professional duties and tasks;
- pay remuneration and reimburse business expenses;
- manage careers and mobility;
- organize business trips;
- manage associates and their work;
- provide IT tools;
- organize professional training;
- grant and manage shares and options that you may be awarded;
- organize employee representative elections and meetings;
- organize and follow up on mergers and disposals of businesses and/or companies;
- administer Sonepar’s Compliance Program;
- ensure the safety and security of Sonepar associates and property.

Sonepar also collects and processes some of your Personal Data to meet applicable legal and regulatory requirements (managing leave, for example).

When necessary, Sonepar processes your Personal Data in connection with internal investigations, litigation or pre-litigation procedures in which the Group is involved, in order to implement its Compliance Program, exercise its rights and defend its interests.

3. WHO PROCESSES YOUR PERSONAL DATA?

The Personal Data Processing operations listed in [Appendix 11](#) to the Manual are performed under the responsibility of:

SONEPAR SAS,

Société par actions simplifiée dont le siège social est situé au 25 rue d'Astorg à Paris (75008) et enregistrée au RCS de Paris sous le numéro 585 580 202.

et/ou

SONEPAR INTERNATIONALE SAS,

Société par actions simplifiée dont le siège social est situé au 25 rue d'Astorg à Paris (75008) et enregistrée au RCS de Paris sous le numéro 433 890 845.

Where Sonepar SAS or Sonepar International SAS are not the Controllers, you will be notified of the identity of the Controller.

4. ON WHAT BASIS ARE YOUR PERSONAL DATA PROCESSED?

The legal basis for each Processing operation is listed in [Appendix 11](#) to the Manual.

In general, Sonepar collects and processes your Personal Data based on your **employment contract**, when such collection and Processing are necessary for the proper performance of your duties and the business operations of Sonepar, for Purposes including:

- Career management;
- Payroll management;
- Project management;
- Training management;
- Intranet access; and
- Provision of IT tools (such as email systems, telephony, VPNs).

In certain cases, your Personal Data are processed to meet a **legal or regulatory** requirement (such as leave, financial control, fraud or corruption prevention, Conflict of Interest) or for a **legitimate** reason (such as IT system security, defending Sonepar's legal interests).

In other more specific cases, your Personal Data are processed based on your **consent**. In these cases, we will ask you to accept (or reject) the collection of your data to that end.





5. WHAT CATEGORIES OF PERSONAL DATA ARE PROCESSED?

The various categories of data processed by Sonepar are listed by Processing operation in [Appendix 11](#) to the Manual.

Sonepar only collects and processes the Personal Data necessary for the Purposes described in [Appendix 11](#) to the Manual and provided directly by you or collected as part of your employment relationship with the Group.

The Personal Data collected and processed may include:

- Your first and last names;
- Date and place of birth;
- Photo;
- ID card and passport number (if you are required to travel for work purposes);
- Postal and email addresses;
- Phone number;
- Nationality;
- Gender;
- Age;
- Signature;
- Internal Group identification data (PE number);
- Tax data (tax number, tax status, country of residence and, where applicable, withholding rate);
- Family situation (marital status, matrimonial regime and number of children);
- Bank details; and
- CV.

Sonepar may also collect and process certain **sensitive** Personal Data, as required or authorized under the applicable regulations, such as the following data:

- trade union membership (in order to organize employee representative elections and/or manage meetings of employee representative bodies);
- disability (in order to adapt your working conditions).

6. FOR HOW LONG ARE YOUR PERSONAL DATA KEPT?

Your Personal Data are kept for the duration necessary for the Purpose for which they were collected or for the duration necessary for their Processing, except where they must be kept for a longer period in accordance with applicable laws.

In general, your Personal Data are kept for the duration of your employment contract. Depending on the data concerned, they may be kept for an additional period of between **one (1) year** (for example, evidence of your Compliance Program-related trainings) and **five (5) years** (for example, documents with respect to your employment contract) to enable Sonepar to protect its interests and meet its legal obligations.

7. HOW DOES SONEPAR ENSURE THE SECURITY OF YOUR PERSONAL DATA?

In accordance with applicable laws and regulations, Sonepar has implemented reasonable **technical** (for example, firewalls) and **organizational** (for example, username/password system, physical protection solutions) **measures** to protect your Personal Data from destruction, loss, alteration, disclosure or unauthorized access by a third party.

We require all service providers that process your Personal Data on our behalf to make contractual commitments to a similar or superior standard.

8. TO WHOM MIGHT SONEPAR DISCLOSE YOUR PERSONAL DATA?

Your Personal Data will only be used by and disclosed to persons who require access to those data for the Purposes described in this Policy or in order to perform their duties, in all cases in accordance with applicable laws and regulations.

Sonepar may disclose some of your Personal Data to:

- Processors or service providers acting on its behalf and in accordance with its instructions;
- Other Sonepar Group companies, which are generally subject to identical or equivalent data protection rules;
- Commercial partners as part of contractual relationships;
- Legal and administrative authorities, when required by law or in connection with litigation or pre-litigation procedures;
- A buyer or partner in the event of a merger, joint venture or disposal.

We ensure that your Personal Data are only disclosed to third parties within an adequate contractual framework that guarantees the security and confidentiality of your data and compliance with the Purpose of the Processing operation.

Information on the Recipients is provided by Processing operation in Appendix 11 to the Manual.

Where your Personal Data are disclosed to Recipients not listed in Appendix 11 to the Manual, you will be notified of the identity of the Recipient.

9. WHERE MIGHT YOUR PERSONAL DATA BE TRANSFERRED?

As a result of the Sonepar Group's international footprint, some of the Recipients who will have access to your Personal Data (such as entities that belong to the Sonepar Group and/or their business partners), are based outside the European Union.

By clicking on the following link, you can find a list of the entities that belong to the Sonepar Group and the countries in which they operate: <https://www.sonepar.com/find-us/country-directory.html>.

In this case, we ensure before the transfer that the Recipient offers an adequate level of data protection (for example, based on an adequacy decision validated by the European Commission or on standard contractual clauses).

In certain specific cases, we obtain your consent before the transfer.

Additional information on the terms and conditions of data transfers, as well as a copy of the documents governing the relevant guarantees, may be obtained by sending a request to the contact indicated in point 10 below "What are your rights?".





10. WHAT ARE YOUR RIGHTS?

You are entitled to access and modify your Personal Data collected by Sonepar, subject to the applicable legal provisions.

Your rights include:

- **Right of access:** you may obtain a copy of your Personal Data processed by Sonepar.
- **Right to rectification:** if you believe that your Personal Data are incorrect or incomplete, you may request a rectification.
- **Right to erasure:** in certain cases provided for by law, you may request that your Personal Data be erased, in particular where the Processing operation is exceptionally based on your consent and you wish to withdraw that consent or where it appears that your Personal Data are no longer necessary in relation to the Purposes for which they were collected or processed. However, this right is not unconditional and Sonepar may have a legal basis or legitimate reason to keep your Personal Data.
- **Right to object:** in certain cases, you may object to the Processing of your Personal Data on grounds relating to your personal situation. However, this right is not unconditional and Sonepar may reject your request for compelling legitimate reasons.
- **Right to restrict Processing:** you may also request that the Processing of your Personal Data be restricted (suspended, for example)

if (i) your Personal Data are incorrect, (ii) you have exercised your right to object or (iii) the data are no longer needed for the Processing operation but are still required to establish, exercise or defend your legal rights.

- **Right to data portability:** when this right applies, you have the right to receive the Personal Data that you have provided or, where technically feasible, to transmit those data to a third party.
- **Right to give instructions regarding the use of your Personal Data after your death:** you have the right to give Sonepar instructions regarding the use of your Personal Data after your death.
- **Right to withdraw your consent:** if your consent is obtained prior to the collection of your Personal Data, you have the right to withdraw that consent.

To exercise your rights, please write to the following address: groupcompliance@sonepar.com

You may also file a complaint with the competent supervisory authority, which in France is:

**Commission nationale de l'informatique
et des libertés (CNIL)**

3 Place de Fontenoy – TSA 80715 – 75334 Paris
CEDEX 07

Tél : 01 53 73 22 22

11. WHAT ARE YOUR DUTIES AS ASSOCIATE?

DO's:

- ▶ Respect the privacy of your colleagues and business partners;
- ▶ Properly collect, store, process and destroy personal data;
- ▶ Only collect personal information needed for legitimate business purposes;
- ▶ Take steps to keep the information secure and respect all security procedures from unauthorized access and use;
- ▶ Immediately report any possible breach of data files.

DON'Ts:

- ▶ Disclose personal data to an unauthorized person or send sensitive documents without proper protection;
- ▶ Leave personal data in a printer or on a shared server;
- ▶ Share logins and passwords with anyone;
- ▶ Store or transfer professional documents using personal devices;
- ▶ Use personal email or unapproved devices to conduct Sonepar business.

12. LOCAL POLICIES

This Policy applies to the Personal Data processed by Sonepar SAS and/or Sonepar International SAS for the Purposes listed [Appendix 11](#) to the Manual. Local policies are also available for the Processing operations





POLICY 360

FACING DAWN RAIDS

Scope: Applicable to all Sonepar Group (“Sonepar”) associates
Entry into force: June 15, 2020
Version 1



A “**Dawn Raid**” is an unannounced visit by law enforcement, the antitrust authorities, immigration or tax officers, or other officials, usually in the early morning, to inspect premises and collect evidence.

1. WHAT YOU NEED TO KNOW

Although such an investigation is a serious matter, being investigated does not imply guilt and it is not a foregone conclusion that unlawful conduct will be established.

Whilst it is unlawful to obstruct a Dawn Raid, being prepared is essential. However, the authorities do need to follow certain procedures and are not entitled to go on a “fishing expedition” in the course of the raid.

This Policy, while not being exhaustive, aims to give a high-level overview of the **most important aspects** to be remembered and basic guidance on how to react to a dawn raid.

2. AN INVESTIGATION IS TAKING PLACE OR ABOUT TO TAKE PLACE, WHAT DO I DO?

2.1 When the investigators arrive

- **Do not panic!**
- Greet the inspectors when they arrive and ask the receptionist to show the inspectors to a meeting room in which, ideally, no files are kept. If they refuse, do not force them.

- Take a note of their time of arrival.
- Offer them refreshments and explain that you will call a senior manager. Emphasize our intention to cooperate.
- Ask to see the document setting out the **subject matter and purpose** of the investigation (warrant) and ask for proof of identity of the officials and evidence of authorization: take a note of their names and, if they accept, copy their authorizations, warrant and IDs.
- Check the **identity** of the investigators against the names on the warrant, if any.
- **Immediately notify** the following people:
 - Anyone for whom the officials ask by name;
 - The most senior manager at the premises;
 - The Legal, Risk and Compliance Network who will contact Sonepar’s external lawyer and ask him or her to come right away.



2.2 During the course of the investigation

- **Co-operate with the inspectors** – do not be hostile or appear unhelpful or obstruct the investigation.
- You normally have the right to legal representation and should exercise this right **BEFORE** answering any questions asked by the investigators.
- Ask the external lawyer or legal counsel to **clarify the objective and scope** of the investigation to try and make sure that the investigators do not exceed their mandate.
- **Do not leave inspectors unsupervised**, alone in the meeting room or unescorted in the company's premises at any time during their visit/investigation.
- With the assistance of the external lawyer or legal counsel, identify potentially **privileged documentation and communications** and do not disclose those without claiming privilege.
- Keep a list of all documentation taken by the investigators.
- Make **copies of all documents taken** by the inspectors (one for the inspectors, one for us).
- Keep responses to all questions **concise, factual, objective and accurate**. If necessary, clarify vague and general questions.
- Do not offer any opinions.
- Make notes of all questions asked and the answers given during the investigation.
- Keep records of everything that the inspectors do.

- Instruct staff **not to destroy, conceal, tamper with or delete** any document or email which may be relevant to the matters under investigation (even if they “look bad” for the company). Explain that an inspection is taking place and ask that they continue with their work and remain calm and courteous.
- **Stay calm and courteous**. Be helpful (non-compliance may be a crime) but do not answer incriminating questions or volunteer information. Do not provide information or documents that are not expressly requested.
- Do not engage in general conversation with the investigators.
- If you do not know the answer, just say so.
- **Do not sign anything** at the investigator's request without first obtaining legal advice.
- Make sure nobody interferes with any seals left by the investigators overnight (e.g. cleaning personnel). Make very visible signs to indicate that the door, box or drawer should not be opened. When leaving the premises after the raid, photograph any sealed doors, drawers, boxes, etc. to document that the seals were left in place.

2.3 After the investigation

- Do not discuss the investigation with any external person or entity or other colleagues, other than as directed by the Legal and Compliance Network.
- Do not communicate or engage with the media without specific written authorization. Check the Group Approval Matrix.



Olivier CATHERINE
General Counsel



Vanessa SANSEN
VP Legal and Compliance

Any doubt, question or concern about this Manual?

Speak to your manager, the General Counsel's Office (groupcompliance@sonepar.com), someone from the Legal, Risk & Compliance Network, your HR Department or other Sonepar resources. They will be able to assist you!

An updated contact list for Legal, Risk & Compliance Network is available on the Sonepar intranet.

Translations of this document may be subject to interpretation. Only the English version is authoritative. All appendices to the Manual are available on *MySonepar*.



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