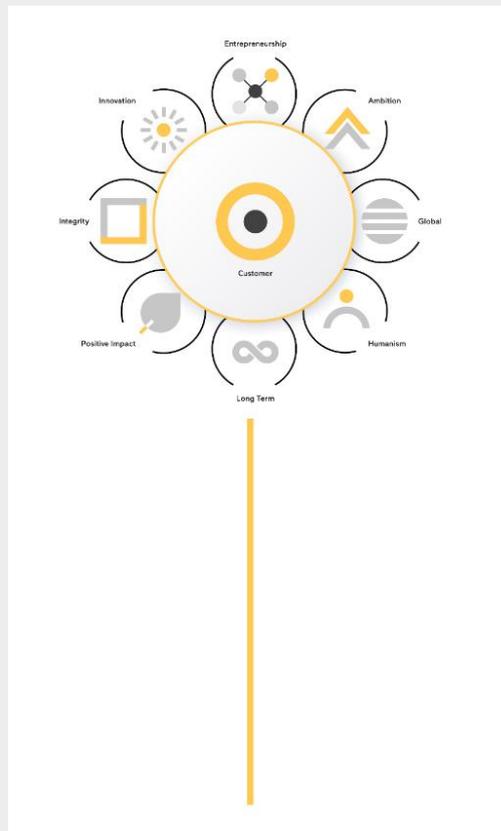


sesimagotag

VUSION 



Conflicts of Interests Procedure

Table of Contents

1. INTRODUCTION	5
a. Purpose.....	5
b. Definitions	5
c. Scope	7
2. GENERAL INSTRUCTION FOR EMPLOYEES	8
a. Identify a conflict of interests	8
b. Declaration & Evaluation of all conflicts of interests	8
c. Management of conflicts of interests	9
d. Information & Records of all conflicts of interests	9
e. Good practices abstract	10
3. GENERAL INSTRUCTION FOR INTERNATIONAL ADVISORY BOARD MEMBERS, BOARD MEMBERS AND TOP MANAGERS	11
a. Obligation to declare any potential situation of conflict of interests	11
b. The Annual Statement process	11
c. Obligation to update the information included in the Annual Statement form	12
d. Good practices abstract	13
4. FAILURE TO COMPLY WITH THIS PROCEDURE	14
5. DATA PROTECTION & ARCHIVING	14

sesimagotag
VUSION 



1 . Introduction

a. Purpose

The purpose of this document is to ensure that the decision-making process within the SES-imagotag group is not affected by any situations of conflicts of interest.

Potential conflicts of interest are inherent in any business and so may arise. The procedures outlined in this document are based on the principles cited in our Code of Ethics. **The document aims to assist everyone including employees, top management, the Board of Directors and the International Advisory Board to detect and manage potential situations of conflicts of interest.**

The procedures outlined in this document also include a specific **Annual Statement identifying the relationships of SES imagotag** as well as a form to collect participations and interests from top management, the members of the Board of Directors and the International Advisory Board.

b. Definitions

Interest: a personal interest arises when financial (including shares), professional (including representative mandate and job position) or civil interests within a company bind an employee, top manager or Board member, their family or close relative.

Interests and participations might be direct or indirect:

- **Direct participation or interests** are directly held by a Board member or a top manager or an employee;
Examples: I am a board member of a competitor or a client or hold shares in the competitor or client.
- **Indirect participation or interests** connect an International Advisory Board Member, a Board member, top manager or employee, via their personal environment or involvement to another company (via family or close friend).
Examples: my husband/wife is the purchasing director of a client, my best friend is a board member of a client/partner, etc.

Top management/ top managers are Managing Directors of all current and future legal entities of the Group as well as the GMB (Global Management Board) members;

Participation: is participation in the capital of a company consisting of either becoming a partner or a shareholder or by acquiring shares from a company.

Conflict of Interests: According to Transparency International, a conflict of interests occurs in situations where ***“an individual or the entity for which they work, whether a government, business, media outlet or civil society organization, is confronted with choosing between the duties and demands of their position and their own private interests”***¹².

In this context, **private interests** must be understood in the broadest sense as it may concern obtaining an advantage for the employee, Board member or top manager in question, either for themselves or for a member of their family, a close relative or entities with whom they have a business relationship or with whom they are bound by financial and/or civil interests and/or obligations.

Therefore, conflicts of interests can be any situation when **a personal interest or involvement could influence the ability of an employee, International Advisory Board Member, Board member, or top manager to make neutral decisions and to fulfil their obligations towards the Group.**

Such situations may appear at any time and can cover multiple forms such as:

- Choosing a supplier only because the decision maker knows them through their private life;
- Hiring an employee only because there is a personal link or an interest between the candidate and an employee;
- Selecting an expert only because he will give the decision maker something in exchange;
- Having a spouse, or one of their ascendants or descendants who is a manager or employee of a company whose activity may be in conflict with that of an SES-imagotag company;
- Having a spouse, or one of their ascendants or descendants who is a manager or employee in a directly competing company;
- Holding pecuniary or non-pecuniary interests in one of the competitors, suppliers or buyers;
- Promoting a collaborator with whom there is an interest;
- Being an active member of a professional, charitable, political association or organization and benefitting from it in return;

This list of examples above is **not exhaustive** as many situations may give rise to a conflict of interests.

All employees, International Advisory Board Members, Board Members and top managers, must proactively avoid any situation involving a conflict of interest.

While conducting their activities, they may encounter different types of conflicts of interests, such as:

- **A potential conflict of interest (before the decision-making process):** this situation is when an employee, Board member or top manager **may be in a position** to promote their personal interests instead of their professional duties.
- **An actual conflict of interest (after the decision-making process):** this situation is where an employee, Board member or top manager, promotes their personal interests in favor of their professional duties and responsibilities within the Group

¹ “Overview of conflict of interests and related offences”, Anti-corruption helpdesk, Transparency International, 2017, p.2

- **c. Scope**

As anyone in the Company can face a conflict of interest, this procedure is applicable to **all employees, International Advisory Board Members, Board members and/or top managers whatever their position, function and duties.**

However, some positions are more exposed due to their activities and the relationships they may have while conducting their activities (decision-making power, ability to represent/commit the company financially or contractually, such as regular relationships with historical suppliers...).

In order to mitigate the risk of conflict of interests, this procedure implements two different processes:

- **The declaration process of conflicts of interests** applicable to **all employees.**
- **The specific process of Annual Statement** only applicable to International Advisory Board Members, Board Members and top managers.



2. General instructions for employees

a. Identify a conflict of interests

To identify a conflict-of-interests situation, employees must always **ask themselves** the following questions **before making any decision**:

- Would a family member or a friend benefit from the situation?
- Would the situation affect my ability to do my job correctly and is it in the Group's best interests?
- Would my manager perceive that I am in a situation which might affect my ability to do my job?
- Would the situation influence my objectivity or judgment?
- Would the situation have a negative impact on the Group or any SES-imagotag company if my situation was made public?

If the answer to any of these questions is « YES » or « MAYBE », then employees might be in a situation with a conflict of interest and must comply with the obligation to declare all situations where there is a conflict of interest.

b. Declaration and evaluation of all conflicts of interests

All employees have the obligation to declare each potential situation of conflict of interests on the MyLily Portal dedicated menu and make sure to update it once a new situation of conflict of interests arises.

The Human Resources Department is the recipient and will be in charge of collecting and sharing such information to the managers to take potential action.

The manager, the Group Human Resources Director and the Group Secretary General **evaluate the situation to establish whether a risk or a situation of conflict of interest exists**. This analysis is performed thanks to several key criteria such as:

- The private relationship between the employee and the third-party involved;
- The private benefit which might be perceived by the employee;
- The impact of the situation on the Group;
- The employee function within the Group and their ability to make decisions and to engage the Group;

c. Management of conflicts of interests

It is not always possible to avoid all situations of conflict of interest, regardless of their impact. Conflicts of interest can be managed by a combination of internal controls and appropriate disclosures. Depending on the circumstances and the nature of the conflict of interest, the following process must be followed when identifying a conflict of interest:

1. Appropriate mitigation measures on potential conflicts of interests:

In a circumstance of a potential conflict of interests, the appropriate manager shall notify the head of Human Resources and work together to identify solutions to avoid the situation of conflict of interests by:

- Involving another employee in the decision-making process;
- Involving another employee to provide the appropriate service to the client;
- Replace the employee affected by a conflict-of-interest situation by another employee;
- This list is not exhaustive.

This list is not exhaustive.

2. Decisions on actual conflicts of interests:

In a circumstance of an actual conflict of interest, the appropriate manager must take all necessary measures to resolve the situation by disclosing the conflict of interest to the head of Human Resources and then together work to identify the solutions which may include:

- Disclosing the conflict of interest to the client;
- Initiating internal/external disciplinary action (referring matter to a regulator for instance) where justified;

This list is not exhaustive.

- **The appropriate answer to a conflict of interests shall always depend on the circumstances and facts of the situation.**

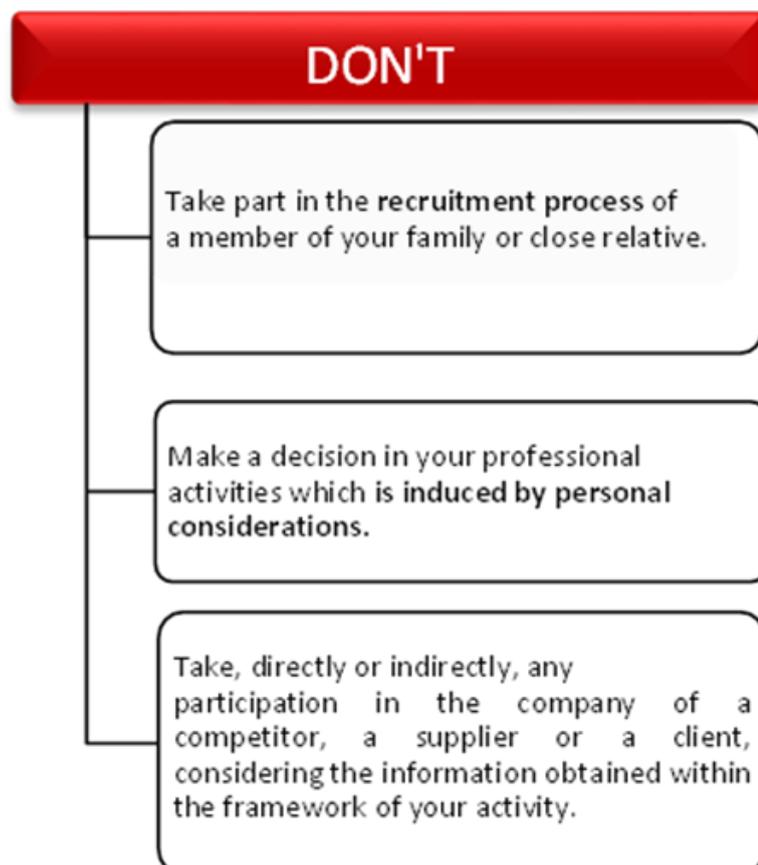
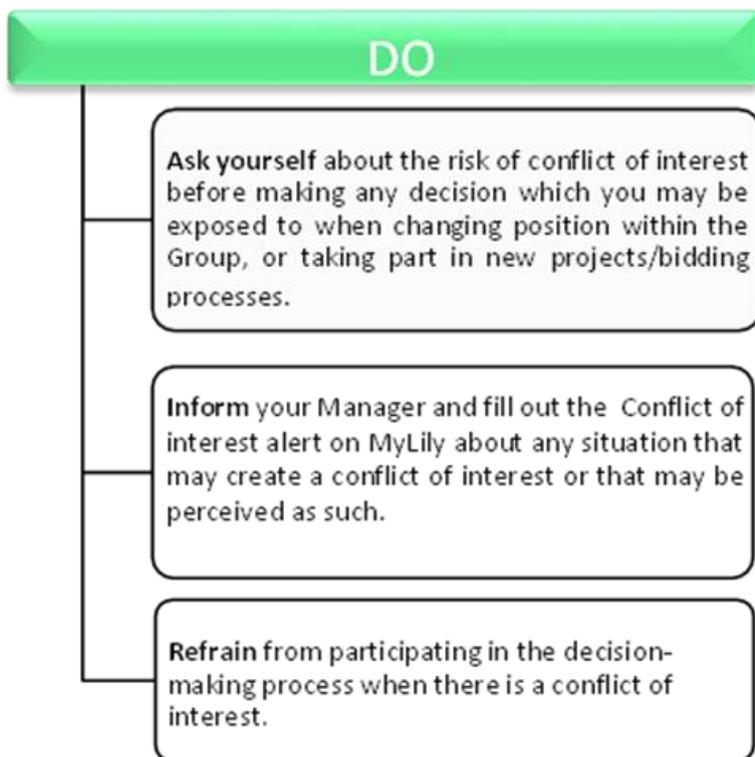
d. Information and records of all conflicts of interests

Conflicts of interest being declared through MyLily Portal, the proper records of all conflicts of interest declared and the implemented mitigation measures will be stored in an appropriate online register, according to the template provided.

The Group Secretary General ensures:

- a) compliance with the European Data Privacy Regulation while storing the register;**
- b) communication of the annual reporting to the Nomination and Remuneration committee.**

e. Good practices abstract





3. General instructions for International Advisory Board members, Board members and top managers

Due to their position within the Group, their decision-making power, and their ability to influence and/or represent the Company or to commit it financially or contractually, top managers, the Board of Directors and the International Advisory Board members are amongst the most exposed people to the risk of conflict of interest.

To correctly mitigate such risk, this procedure implements a dedicated process so that top managers, International Advisory Board Members and Board of Directors members declare all their participations and interests in relation to Group activities, a supplier, a subcontractor, or a competitor (see definitions above).

a. Obligation to declare any potential situation of conflicts of interests

Top managers, International Advisory Board Members and Board of Directors members shall declare their potential conflicts of interests upon employment or nomination.

In any case, if a potential situation of conflicts of interests arises during their employment or mandate, they must inform the Group Secretary General in order to declare this situation immediately.

- *Please, refer to examples of conflicts of interests in Introduction and Definitions.*

The Group Secretary General will assess the situation in collaboration with the CEO, the Group Human Resources Director and then take appropriate mitigation measures to manage the situation.

b. The Annual Statement process

1. **Reception of the Annual Statement form for Board members / MyLily Portal completion form for top managers:**

Top managers, the Board of Directors and the International Advisory Board members must complete the Annual Statement form every year, which is sent by the General Secretary.

- **For Board members**, the form is sent by the Secretary General.
- **For top managers**, the form is available on a dedicated menu of MyLily Portal.

The Statement of Interests is a document in which top managers, the Board of Directors and the International Advisory Board members must **declare their participations and interests in relation to Group activity, suppliers, subcontractors and competitors.**

2. Completion, signature and sending of the forms to the Group Secretary General:

For International Advisory Board Members and Board members: once completed, all forms must be signed and sent to the Group Secretary General within a period of 30 days after receipt.

For top management: top managers have the obligation to fill out the digital form detailing potential conflict of interest on an annual basis through the MyLily Portal dedicated menu, 30 days after the request sent by e mail by the Secretary General: the Group Human Resources Director and the Group Secretary General are the recipients of such messages.

Top managers, International Advisory Board Members and and members of the Board of Directors are responsible for their own statement and the accuracy of information

3. Reception and analysis of the forms:

The Group Secretary General consolidates and analyses all accumulated forms. When a risk of conflict of interest is identified, the Group Secretary General will assess the situation in collaboration with the Group Human Resources Director and / or the CFO and take appropriate mitigation measures to manage potential conflicts of interest.

4. Review of statements for important decisions:

As soon as an important decision needs to be made on behalf of the Group or one of the SES-imagotag companies (e.g.: Mergers and Acquisitions) and approved at Board member level, the Group Secretary General must verify the absence of conflict of interest according to participation and interests declared by top managers, International Advisory Board Members and members of the Board of Directors.

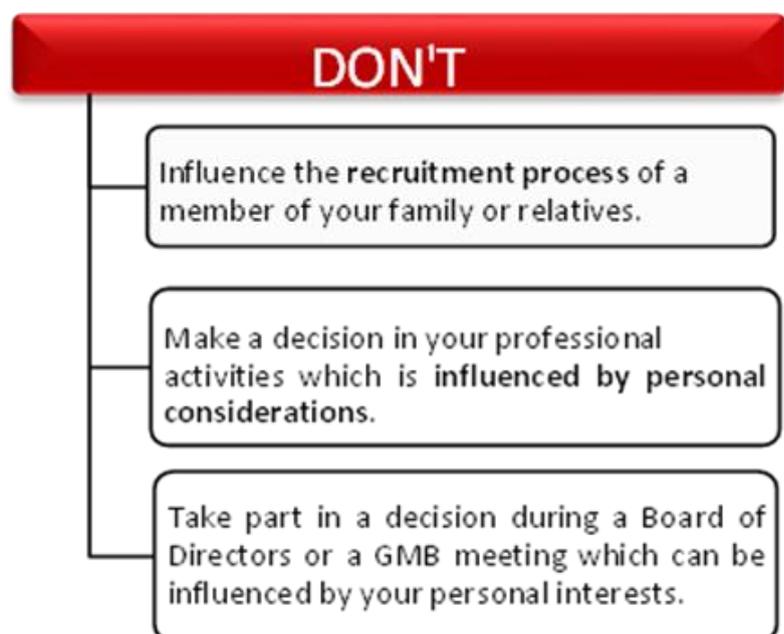
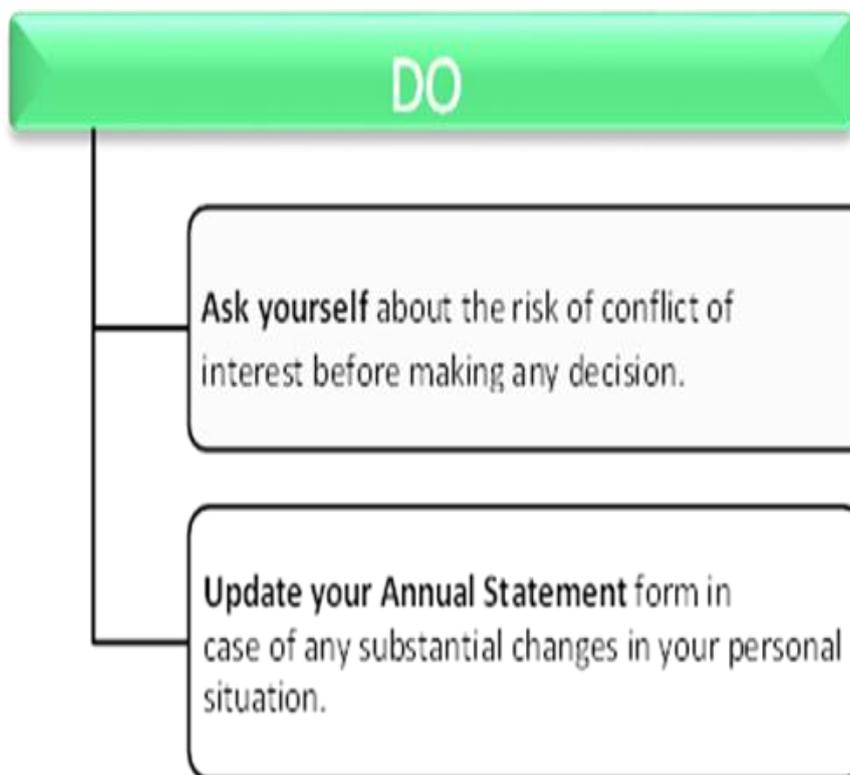
5. Monitoring of the Annual Statement obligation:

The Group Secretary General ensures the proper application of the Annual Statement process through an annual review of this obligation to ascertain that all top managers, International Advisory Board Members and the Board of Directors complete their Annual Statement form and/or update it appropriately.

c. Obligation to update the information included in the Annual Statement form

Top managers and the Board of Directors members **must update** their Annual Statement form to reflect changes in their personal situation and **to continuously keep it correct, complete and updated as necessary.**

d. Good practices abstract





4. Failure to comply with this procedure

All employees, top managers, International Advisory Board Members and Board members must respect this procedure. Any breach shall be subject to disciplinary measures.

Employees, and top managers are encouraged to raise concerns about any instance, or suspicion of malpractice at the earliest possible stage, either through their line manager or other available reporting mechanisms such as MyLily Ethical alert menu.



5. Data protection and archiving

SES-imagotag Group has implemented measures regarding the requirements of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

Therefore, all data collected relating to conflict of interest and Statement forms are centralized in a protected network with restricted access. All data is kept for a limited period of time which cannot exceed **6 years** and only to avoid conflict of interest.

After this period, data must be anonymized if preserved in order to only retain the necessary data to control the risks the Group may face. The archiving of anonymized registers is done in a protected network with restricted access. Personal data must never be transferred to a third party for commercial purposes without the express consent of their owner.

³ It is noted that Dr. Viviane Reding is a member of the International Advisory Board and was responsible for the initiation of the GDPR during her mandate as Vice President of the European Commission and European Commissioner for Justice, Fundamental Rights and Citizenship.

OVERVIEW OF THE DECLARATION PROCESS DEDICATED TO EMPLOYEES

	INVOLVED EMPLOYEES	EXPECTED BEHAVIORS
1. IDENTIFY	All employees	Ask themselves about their personal situation with regard to their activity and that of their entourage.
2. DECLARE	All employees	Declare, if necessary, through My Lily specific reporting menu
3. EVALUATE	<ul style="list-style-type: none"> ▪ The Group Secretary General ▪ The Group Human Resources Director ▪ The Line Manager 	<p>Qualify the situation by examining different criteria such as:</p> <ul style="list-style-type: none"> ▪ The private relationship between the employee and the involved third-party; ▪ The personal benefit which may be perceived by the employee; ▪ The impact of the situation on the Group; <p>The employee's function in the Group and in particular his/her ability to make decisions and to engage the Group;</p>
4. MANAGE	<ul style="list-style-type: none"> ▪ The Group Secretary General ▪ The Group Human Resources Director ▪ The Line Manager 	<p><u>For potential conflicts of interest:</u></p> <ul style="list-style-type: none"> ▪ Involve another employee in the decision-making process; ▪ Allocate another Representative to provide the service to the client; ... <p><u>For actual conflicts of interest:</u></p> <ul style="list-style-type: none"> ▪ Disclose the conflict of interest to the client; ▪ Initiate disciplinary action; ... ▪ Communicate the action plans and sanction to the employee involved.
5. INFORM & RECORD	<ul style="list-style-type: none"> • The Group Secretary General 	<ul style="list-style-type: none"> ▪ Makes sure the MyLily reporting and storage is performed on a regular basis and in compliance with GDPR regulation ▪ Report once a year to the Nomination and Remuneration Committee