



(Australia, New Zealand, India, Caribbean, Bahamas, Africa, Gulf, Europe, South America)

# Global Business Standards



Satisfying the Standards of Globe



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## COTSYS Way Code of Conduct

The COTSYS Way provides a common direction for all Members, Stakeholders and Members of the COTSYS Group (hereinafter referred to as "COTSYS"). By adhering to its principles and values, Members enhance corporate value and their contributions to global and local societies.

The Corporate Vision of the COTSYS is that, through our constant pursuit of innovation, we aim to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world.

COTSYS believes that integrity is a key factor in sustainable business success.

The COTSYS Way embodies the philosophy of COTSYS, its reason for existence, its corporate values and the principles that govern its business dealings. The COTSYS Way incorporates the Code of Conduct, which provides rules and guidelines to be followed by everyone in COTSYS. The message underpinning this Code is that we will strive to adhere to the Code of Conduct in any business dealings or actions. These Global Business Standards are a further development, designed to provide guidance to all of us working in COTSYS, wherever we may be in the world, as to how we must act so as to:

Prevent breaches of the law

Maintain our high standards of business conduct

Protect COTSYS's global reputation

All COTSYS members must, using the Global Business Standards as a reference point, learn and comply with the standards and laws that apply to them.

The Global Business Standards apply to all Members in COTSYS, including directors and officers (who are together referred to as "members" in the Global Business Standards), and also extends to anyone engaged in the business of COTSYS. The standards are to be applied to all our business operations throughout the world.

### **Global Business Standards V2.0**

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## Global Perspective

In an increasingly globalized and borderless business world, this philosophy extends to our approach to business world, we must conduct our activities in compliance. The Global Business Standards from a global perspective positioned as a true global player provide a common set of guidelines for our people.

Regions will also develop their own policies and programs to ensure the effective implementation of the principles of “Think Global, Act Local” summarizes our vision of becoming a Tier 1 Global Business Standards while reflecting the trans-national organization. Success will require us characteristics of each region, country and to conduct our business activities from a global business area.

## Why do we need Global Business Standards?

One of the fundamental principles of the COTSYS Way is that of “Global Citizenship” – we act as global citizens, attuned to the needs of society and the environment. We therefore act as responsible members of a global society based on sound ethics and integrity. The Global Business Standards are designed to help us achieve that objective.

The Global Business Standards govern the COTSYS’s relationships with others including:

- Shareholders
- Members
- Customers
- Suppliers
- Governments
- Other businesses (including our competitors)
- The environment
- The community

## The Global Business Standards:

- Provide guidance on how all in COTSYS is expected to act.
- Are designed to ensure that COTSYS’s excellent reputation is maintained.
- Are intended to prevent COTSYS, its people, and all those who come into contact with us, from being exposed to harm.
- In a constantly changing corporate and legislative environment, acting with responsibility and integrity requires ever greater care, and the Global Business Standards and associated compliance policies are designed to help us all to do this.

## What are our responsibilities in relation to the Global Business Standards?

The Global Business Standards apply to all Members in COTSYS, including directors and officers, and to anyone engaged in the business of COTSYS.

We must all:

- Learn and understand the Global Business Standards and apply them in the course of our roles and our work.
- Endeavor to understand all relevant laws and regulations that apply to our roles
- Endeavor to comply with all such laws and regulations at all times and in every aspect of our work
- Communicate to associates about how the Global Business Standards and policies apply to our daily work
- Look for opportunities to discuss and address ethics and challenging situations with associates
- Never ask another or pressure anyone to do something that we would be prohibited from doing ourselves
- Be aware of the limits of our authority and do not take any action that exceeds those limits
- Those of us in management or supervisory roles must also:
  - Support a working environment where ethical conduct is recognized, valued and exemplified
  - Ensure that our Members and teams understand and follow the principles of the Global Business Standards
- Monitor and consistently enforce the Global Business Standards
- Ensure that third parties we supervise understand their compliance obligations

## How do the Global Business Standards fit with other policies?

The Global Business Standards cannot describe in detail every COTSYS policy, standard or practice. The

Global Business Standards provide a framework for more detailed policies, which are developed at Global and Regional levels to cover aspects of the Global Business Standards in more detail.

All policies and procedures must be consistent with the principles of the Global Business Standards and will not depart from or dilute those principles. In the event of any conflict between a Regional or local policy and the Global Business Standards, it is the principle in the Global Business Standards that will apply.

## How do the Global Business Standards fit with local laws?

COTSYS does business throughout the world. Members in COTSYS are subject to laws and regulations in many different countries. The Global Business Standards set the minimum standards that are required across COTSYS, wherever we may be working. Where local laws or regulations set lower standards than required by these Global Business Standards, then the higher standards of the Global Business Standards will nevertheless apply.

If local laws require higher standards than the Global Business Standards, then we must comply with those higher standards. Monitoring Compliance and Enforcing the Global Business Standards COTSYS adopts a number of different mechanisms to monitor compliance with the Global Business Standards. These include:



- Risk management systems
- Compliance audits
- Promoting greater awareness of compliance issues so that violations are more easily recognized and reported
- Encouraging the use of appropriate mechanisms (including "COTSYS Alert") for compliance issues and concerns to be reported
- Where concerns about compliance issues are raised, appropriate enquiries and investigations will be undertaken to determine the facts and make recommendations for any further action.
- All of us who work for or on behalf of COTSYS understand that a failure to follow the Global Business Standards may result in disciplinary action.
- Reporting Global Business Standards violations and non-retaliation

All COTSYS and those engaged in the business of COTSYS are encouraged to report breaches or potential breaches of the Global Business Standards of which they become aware.

Reports of actual or suspected compliance breaches can be made in a number of ways, including:

- To a senior manager
- To a member of the Legal department
- To a member of the HR department
- To a member of the Internal Audit department
- Through local grievance procedures
- Through "COTSYS Alert" - the external Employee Whistle-blowing Line or Web Reporting process
- If you are unsure as to the correct course of action you must seek advice from a senior manager or from the Legal department.

It is fundamental to COTSYS's compliance program that people are able to report actual or suspected compliance breaches without fear of retaliation. COTSYS will not tolerate any adverse treatment against anyone who reports issues or concerns in good faith. Any such retaliation will itself be regarded as a very serious breach of the Global Business Standards.

## The Integrity Test



Where you are unsure whether to take a decision or action, the Integrity Test will help to guide you. However, if you are still unsure after applying the test, then you should seek advice from the Compliance or Legal department.

## Respect for human rights

Each company of COTSYS Group (“COTSYS”) supports the protection and promotion of human rights. We respect the personal dignity and rights of every individual.

For example, COTSYS will not:

Employ people against their will

Knowingly use or tolerate child labor

Intentionally breach employment laws in countries in which it operates.

## Discrimination or harassment

Our workforce consists of men and women of many different nationalities, cultures, religions and other personal characteristics. The diversity of our people is a key strength. We will not unfairly discriminate on the basis of personal characteristics such as race, color, religion, creed, sex, age, social status, family origin, physical or mental disability or sexual orientation, nor will we tolerate any such discrimination.

We will not tolerate harassment based on such personal characteristics or arising from the abuse of power or control, that adversely affects individual dignity.

Employment decisions will be based on job-related criteria (education, qualifications, and experience) and on merit (skills, and performance).





## Creating a work environment that promotes trust and respect

COTSYS is committed to maintaining workplaces that are founded on mutual respect, trust and fair employment practices. We believe that every employee is entitled to fair treatment, courtesy and respect.

Managers will be expected to:

- Be proactive and encourage open communication
- Demonstrate exemplary personal behavior and performance
- Demonstrate openness and honesty
- Set clear and realistic goals leaving Members with appropriate responsibility and empowerment
- Be accessible to Members
- Create an environment where the Global Business Standards are always followed, and people are comfortable with raising issues
- Report violations or potential violations and encourage others to do so.
- Our work environments should be free from harassment or other behavior that leads to a hostile work environment. Threats, intimidation or violence will not be tolerated in our workplaces or at any off-site work-related activity.

## Respect and observance of laws and regulations

- We will respect and comply with all applicable laws, treaties, government regulations and statutes.
- Violation of laws or regulations is unacceptable, even when motivated by devotion to COTSYS.
- We will endeavor to understand all relevant laws and regulations that affect our business and seek to ensure that we do not, through our actions, violate those laws.
- We will also aim to understand and conform to local customs and socially accepted business practices where these are considered to be consistent with these Global Business Standards, lawful and fair.
- We will cooperate with government regulators and be truthful and accurate in relation to any investigations or enquiries.

## Financial Reporting and Company Records

Shareholders, analysts, customers, creditors and many others rely on COTSYS to provide them with reliable information concerning COTSYS's operations, performance and outlook. The integrity of our record keeping and financial reporting is critically important to our credibility and is necessary to prevent financial irregularities or even fraud.

All records and reports produced within the COTSYS must be accurate and truthful. This applies equally to records and reports produced for internal purposes as well as those published or distributed externally.

## Environment and Products

Protecting the environment and conserving natural resources are high priority targets for COTSYS. To achieve these targets, our environmental management systems will meet appropriate technical standards and comply with all relevant laws and regulations.

We will take a precautionary approach to environmental challenges and undertake to promote greater environmental responsibility. For example:



The worldwide implementation of our Green Policy Innovation project aims to reduce our global CO2 emissions

During product development, environmentally friendly technical design, technical safety and health protection are key requirements

Recycling and energy conservation are also key factors in COTSYS's business.

All our products will be produced pursuant to appropriate technical, safety and environmental standards and will comply with relevant regulations and licensing requirements.

## Health and Safety

COTSYS is committed to providing a work environment that is safe and protects health and adopts suitable accident prevention measures. We all have an obligation to comply with health, safety and security policies, and health and safety issues should be reported.

While on COTSYS property or while conducting COTSYS business we will not:

- Possess or sell illegal drugs
- Engage in the use of illegal drugs
- Be intoxicated through drugs or alcohol.
- This applies to the design of workplaces, equipment and work processes as well as to safety management and personal behavior in the workplace.
- We must all take personal responsibility for the health and safety of ourselves, our colleagues and all those who are affected by COTSYS's business operations.

## International Trade

The import and export of products and services is heavily regulated. Some products, services, software and information cannot be supplied or exported to certain countries or customers, or for certain end-users. Breach of trade controls can give rise to very serious penalties including fines and even imprisonment of individuals.

COTSYS will observe and support all laws and regulations governing how companies supply products, services, software and information.

## Money Laundering

People involved in criminal activity such as terrorism, narcotics, bribery and fraud may try to "launder" the proceeds of their crimes to hide them or make them appear legitimate. Many countries now have laws against money laundering which prohibit conducting activities that involve proceeds of criminal activities and require safeguards to be put in place to prevent inadvertent money laundering.

COTSYS is committed to compliance with all money laundering and anti-terrorism laws and will conduct business only with reputable customers involved in legitimate business activities.

## Fair Competition

Competition or anti-trust laws are designed to protect free and fair competition and ensure that the best interests of the consumer are served. These laws apply in every country in which COTSYS operates, and some laws apply across jurisdictional boundaries.

COTSYS observes fair and lawful competition practices, and complies with all applicable competition or anti-trust laws wherever it does business. Anti-trust can be a complex area, and, as in any matter involving legal issues, the advice of the Legal department should be obtained where any doubts or concerns arise. Examples that often indicate anti-competitive behavior include:

- Entering into any arrangement with competitors on sales prices
- Agreeing the price at which our resellers sell COTSYS goods and services
- Agreeing not to compete
- Discussing competitive bids with other bidding companies (bid rigging)
- Participating in market allocation (agreeing to allocate certain customers or customer groups, or certain geographies, for example)
- Agreements as to production or sales volumes
- Selling goods or services at less than market values in order to hurt competition (dumping).

## Anti-competitive behavior has very severe consequences:

- For example in the EU fines can be up to 10% of global turnover
- Prison sentences for individuals convicted of offences
- Being excluded from government contracts
- Serious reputational harm
- Serious adverse effect on a company's ability to obtain contracts in the future.
- It is important that any possible breaches of the principle of fair competition are notified immediately to the legal department or senior management (or through "COTSYS Alert" if necessary). Many countries operate leniency programs which can lead to reduced financial penalties for breaches where they are voluntarily brought to the attention of the enforcing authorities.

## Bribery

COTSYS competes on the basis of the quality and price of its products, services and solutions. Nobody within the COTSYS, or acting on behalf of the COTSYS, may give or accept, directly or indirectly, a bribe in any form. "Bribe" means any advantage, whether in monetary or other form. The making of an improper payment to gain an advantage is never acceptable in COTSYS, and exposes the individual and the Company to criminal prosecution.

The following can all be construed as a bribe or improper payment:

- Giving or promising money, goods or services to a government official or customer employee
- Paying a gratuity to officials or Members to expedite an administrative action
- Payment of a commission that is disproportionate to the services provided.
- We have to take great care in dealing with government officials; in many countries gifts or payments to government officials are specifically prohibited by law. Some countries also extend such laws to foreign government officials overseas.
- Everyone doing business through consultants, intermediaries or other third parties must endeavor to ensure that they also comply with the above rules.

## Dealing with Governments

COTSYS conducts business with national governments and government owned enterprises. In the course of our work, we frequently interact with government agencies and officials. In every instance, COTSYS Members must apply the highest ethical standards and comply with applicable laws and regulations. In particular, we must:

- Comply with special legal and regulatory requirements that are commonly associated with government transactions
- Be truthful and accurate when dealing with government officials and agencies
- Ensure that reports, certifications, statements and proposals are current, accurate and complete
- Ensure that contractual requirements are adequately identified and understood, and that we do not materially deviate from contract requirements without written approval of an authorized government official
- Avoid any incorrect or unauthorized cost charging on government contracts
- Be especially careful when dealing with foreign governments, or governments of developing countries or emerging markets, which may be less familiar to us. In the event of contact with a government regulator or enforcement authority, advice should be sought from the Legal department.



## **Fair and Ethical Purchasing**

COTSYS's suppliers play a critical role in its ability to operate and provide products and services to its customers. The ethical performance of COTSYS's suppliers is scrutinized by our stakeholders, and can have a direct effect on COTSYS's reputation. Any failures by our suppliers to meet our standards will undermine our own aims for compliance and integrity in our business operations.

We will choose our suppliers carefully based on appropriate criteria such as service and price, but also on their ability to comply with all relevant legal requirements. We will also expect our suppliers to act in a manner that is consistent with the principles and standards in these Global Business Standards.

We will also ensure that COTSYS does not treat suppliers unfairly or take unfair advantage of its size in comparison with smaller suppliers.

## **Marketing and Advertising**

COTSYS's reputation is valuable and has been achieved through many years of excellent service and integrity in its business operations. To maintain our reputation all marketing, advertising and sales activities must describe our offerings and services legally and fairly. Any practices that are false, misleading or deceptive are prohibited.

COTSYS's brand and trademarks must be used consistently, legally and in accordance with company policy.

## **Political and Media Activity**

The laws of certain countries set strict limits on contributions by companies to political parties or candidates. Violations can lead to serious penalties including fines or imprisonment. It also may affect COTSYS's reputation to be perceived as supporting a particular political party.

We are not permitted to make direct or indirect political contributions to candidates, office holders or political parties on behalf of COTSYS unless authorized in writing by a senior level of management. We should not speak to the media or make statements on behalf of COTSYS, unless authorized by the Public Relations office.



## Respect Intellectual Property

### Protecting COTSYS IP

COTSYS's intellectual property is a valuable asset and an essential management resource underpinning our business activities and the confidence that our customers place in us. We will make every effort to obtain and maintain all necessary intellectual property rights including patents, copyrights and trademarks, and utilize them effectively in growing our business. In particular we must:

Identify and protect COTSYS intellectual property

Comply with all COTSYS policies concerning the protection of intellectual property

Consult with the Legal department before disclosing COTSYS proprietary information to others or permitting others to use COTSYS intellectual property.

### Respect for Third Party IP

Unauthorized use of the intellectual property of others can expose COTSYS (and individuals within COTSYS) to lawsuits, damages, significant fines and criminal penalties. We respect third party intellectual property and use it only after having properly secured rights to its use. In particular we must:

Respect valid copyrighted materials and other protected intellectual property of others consult with the Legal department concerning licences or approvals that may be necessary to use intellectual property of others.

Put safeguards in place to avoid inadvertent disclosure of proprietary information of any previous employer

Respect third party intellectual property right handed over for limited purpose under nondisclosure agreement

## Maintain Confidentiality

### General Principles

The appropriate handling of information is fundamental to our business activities. A careless mistake that results in information being lost or leaked can lead to enormous damage and loss of reputation. We must comply with the COTSYS Global Information Security Policy (which is issued by COTSYS IT Strategies Unit), and with the related rules for handling different types of information. In addition, we are conscious of the vital importance of data security in our daily work so as not to unintentionally lose or leak confidential information or personal data.

### Protecting confidential Company information

The COTSYS information that we have access to in our daily work is considered confidential. It is also critical to our success. Confidential information includes information on matters of business, pricing, research and development, products, manufacturing, human resources, internal reporting figures and know-how. We must:

Take adequate steps to secure and protect COTSYS's confidential information



Ensure that we do not disclose such information to anyone outside the company without following correct procedures (for example ensuring that there is a binding non-disclosure agreement in place)

Only use COTSYS's confidential information for purposes of the business of COTSYS

Only make records, copies or databases of COTSYS information where directly necessary for COTSYS business

Respect and protect COTSYS's confidential information even after our employment with COTSYS has ended.

## **Protecting confidential Customer or Third Party information**

Information from our customers or business partners must be handled and used appropriately in accordance with the terms and conditions defined and specified in each contract with them, including terms and conditions related to the intended use, management and duration of confidentiality of such information.

We therefore handle such third party information appropriately at all times and we will not break contractual obligations to preserve confidentiality.

## **Handling personal data**

COTSYS is committed to protecting the personal data of its Members, customers, suppliers and others in accordance with local laws. In gathering and keeping personal data for any purpose, we will handle, manage and use such personal data appropriately and in accordance with all relevant laws and regulations.

In particular we will:

- Endeavor to learn and understand laws and regulations relating to personal data that affect our work activities
- Understand and comply with Regional data protection policies
- Collect, use and process personal data for legitimate business purposes only
- Use anonymous data instead of personal data where appropriate
- Limit access to personal data to those who need it for a legitimate business purpose
- Take care to prevent accidental loss or destruction of personal data
- Take immediate action if we learn of a violation or loss of personal data
- Watch for inadequate controls over personal data
- Transfer personal data between countries lawfully and subject to appropriate safeguards.

## **We do not use our position in our organization for personal gain**

We must not use our position, role, corporate information, corporate facilities or assets, or act in a way contrary to our corporate obligations, to seek or gain benefits for ourselves, our relatives, our friends or other third parties.

## Conflicts of Interest

All those working in or on behalf of COTSYS must ensure that nothing they do, at work or outside work, conflicts with their responsibilities to COTSYS. We must all aim to avoid any situation where our own interests may impair our ability to make unbiased decisions on behalf of COTSYS. Even the appearance of a conflict can be damaging. Where potential conflicts cannot be avoided, they must be carefully managed. Areas to watch for include:

- Outside business activities or financial interests that may present a conflict, or the appearance of one
- The use of COTSYS time, resources or facilities for activities other than COTSYS business (including civic, charitable or non-profit activities, for which line manager permission should always be obtained)
- Taking personal advantage of an opportunity that is discovered or advanced through COTSYS work
- Accepting officer or director positions with an outside business (even with not-for-profit organizations, where COTSYS support may be sought or expected)
- Gifts, discounts or entertainment offered by customers or potential customers
- Dealing with businesses owned or managed by friends or family
- Hiring, promoting or directly supervising a family member or close friend.
- All Members must proactively disclose to their manager any actual or apparent conflict, so as to work with the manager to discuss, document and manage such conflicts effectively.
- We must not engage in activity outside work that damages the COTSYS reputation. For example, we should not post inappropriate messages about the Company on online bulletin board or networking sites.

## Gifts and Entertainment

Members must ensure that they are fully aware of and understand their Regional Gifts and Entertainment Policy before

Giving or accepting any gift

Engaging in customer entertainment

Giving or receiving any other benefit.

Members may accept gifts or benefits of modest value that are within a reasonable and acceptable range under the Regional policy, subject to prior approval by their manager.

If there is any risk that the gift, entertainment or other benefit may create the appearance of impropriety, then it must not be offered, or must be politely declined.

## Insider Dealing

Insider dealing laws prohibit the buying and selling of securities in companies, based on material information that is not available to the public. COTSYS is committed to supporting fair and open securities markets throughout the world. Nobody working in or on behalf of COTSYS is permitted to trade stocks or other securities using undisclosed "insider" information gathered in the course of their employment from COTSYS or from third parties. Nor may any such information be disclosed to others. To comply with this principle:

It is prohibited to buy or sell the securities of any company (including COTSYS) either directly or through others, with knowledge of inside information about that company





No recommendations or suggestions should be made to others based on inside information

Company information must be kept confidential.

## Protecting Company Assets

COTSYS assets are provided to help achieve our business goals. Damaged, stolen, misused or wasted company assets have a negative impact on the operational and financial performance of COTSYS, and therefore on all of us individually. We will not use, sell, lease or dispose of any company assets, including software, hardware, or other equipment or facilities, for any purpose other than transacting or undertaking the business of COTSYS.

Company assets must be used for legitimate business purposes only. There is a strict prohibition on the use of any company equipment or system for accessing, retrieving or transmitting any inappropriate or offensive material. Local IT policies provide further details and all Members have a personal obligation to ensure that they are aware of and understand their relevant IT policy.

## Global Policy on Anti-Bribery and Anti-Corruption

### Prohibited Payments

COTSYS competes on the basis of the quality and price of its products, services and solutions. Nobody within the COTSYS, or acting on behalf of the COTSYS, may give or accept, directly or indirectly, a bribe in any form. "Bribe" means any advantage, whether in monetary or other form. The making of an improper payment to gain advantage is never acceptable in COTSYS, and exposes the individuals and COTSYS to criminal prosecution. Many countries have adopted laws banning bribery by companies, in conformity with internationally agreed anti-corruption standards. Some of these laws, such as the UK Bribery Act and the US Foreign Corrupt Practices Act, have global application and are vigorously enforced.

The following can all be construed as a bribe or improper payment, but this is not a complete list, each potential Bribe has to be considered in its own circumstances to determine if it is prohibited by this policy:

- Giving or promising money, goods or services to a government official or customer employee
- Paying a gratuity to officials or Members to expedite an administrative action
- Payment of a commission or fee that is disproportionate to the services provided.
- Lavish or excessive entertainment, hospitality or gifts
- Contributions to a political party, candidate or campaign
- Charitable donations to organizations associated with, or at the request of, government officials or customers
- Certain circumstances may be warning signs that a payment is improper, and require us to use extra caution to ensure that no bribe or improper payment is made. The following are some examples of such circumstances:

We are doing business in a country that has a reputation for corruption.

- A consultant, agent or other third party asks for an unusually large fee or an increase in a previously-agreed fee to close a deal.
- The reputation of the consultant, agent or other third party is questionable.
- We are asked to make a payment to an individual, in another country, to a numbered bank account or to pay in cash.
- We are asked to make a political or charitable contribution or to use a particular subcontractor.
- The payment, gift, or entertainment would appear to influence the recipient's objectivity.
- The payment, gift, or entertainment does not appear to have a business purpose or may appear to have a private purpose.
- We would be embarrassed if the payment, gift or entertainment were made public.

## Government Officials

We have to take great care in dealing with government officials; in many countries gifts or payments to government officials are specifically prohibited by law. Some countries also extend such laws to foreign government officials overseas.

The following are some examples of government officials under the anti-corruption laws of countries in which COTSYS does business:

- Members of state-owned enterprises
- Members of publicly-listed companies where there is government control or significant ownership
- A professor at a state university
- A doctor or nurse at a government-run health care facility
- Family members of public officials
- Political party officials or candidates for political office
- Members of international organizations, such as the United Nations, World Bank or International Monetary Fund
- All gifts to government officials are prohibited unless they are lawful and customary in the applicable country, of nominal value, and approved in advance by regional management in accordance with the applicable authority limits set by the Company. Gifts cannot be made under local business practices that ignore or condone bribery.
- Payments for bona fide business expenses incurred by government officials (such as travel, lodging and meals) that are related to the promotion, demonstration or explanation of products or services, or to the execution or performance of a contract, may be permissible, but only if they are reasonable, necessary, and approved in advance by regional management. Expenditures for first class airfare, spouses and family members, side trips, leisure activities, stipends and spending money are not considered to be reasonable and necessary.

## Accounting and Bookkeeping Requirements

To ensure compliance with anti-corruption laws and company policies, all business transactions must be properly authorized, and must be completely and accurately recorded in our books, records and accounts. COTSYS's books and records must be maintained with sufficient detail to accurately and fairly reflect transactions and the disposal of assets, including recording a proper measure of value and the time period when the transaction occurred. It is expressly forbidden to make false or misleading entries in



the Company's books, records and accounts, including entries that fail to reflect improper transactions (e.g., kickbacks and bribes) and/or entries that are falsified to disguise Bribe and/or failing to make entries of payments by or to the Company. No payment on behalf of COTSYS shall be approved or made with the express or implied agreement that any part of such payment is to be used for any purpose other than the purpose described by the documents supporting the payment. Additionally, no secret or unrecorded fund or asset shall be created or maintained. With the exception of normal and customary petty cash requirements, transactions which use notes and coins and not electronic transfers, cheques or similar instruments in connection with COTSYS's business are not permitted.

## **Third Parties**

Everyone doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must endeavour to ensure that they also comply with the above rules. Both individuals and COTSYS can be held legally accountable for the actions of such third parties. We cannot use a third party to do something we cannot do under the GBS or this Annex.

We will not do business with any third party unless and until appropriate due diligence is performed and a written agreement is duly executed by the parties. The agreement must include a commitment by the third party to comply with and to demonstrate its commitment to applicable anti-corruption laws and COTSYS's anti-corruption policies.

We will be vigilant in monitoring the activities of third parties on an ongoing basis. Excessive, false, or inadequately described payment requests, unusual or overly generous subcontracts, unusual or incomplete documentation and refusals or failures to provide requested documentation may be signs of Bribe by third parties. We will insist on documentation or justification before paying expenses, and question any unusual or excessive expenses. Members must notify an appropriate member of the Compliance Officer or Legal department if they suspect that the third party has made or will make a Bribe.

## Training and Compliance

COTSYS will provide periodic training to explain and reinforce the importance of complying with the anti-corruption policies and procedures. We will also distribute to, and obtain from, relevant Members and third parties a certificate of compliance with applicable anti-corruption laws, and we will maintain the certifications in our files for at least five years.

The Legal department is available to address any doubts or concerns about whether a transaction is prohibited under the anti-corruption policies and procedures or applicable anti-corruption laws.

## Global Policy on Compliance with Antitrust & Competition Laws

### Background

Over 100 countries have competition laws. Competition laws apply outside a government's boundaries.

Competition authorities around the world are increasingly aggressive in investigating and prosecuting violations of antitrust and competition laws worldwide.

Violations can result in large fines for the company, fines and imprisonment for individuals and private litigation.

### What do antitrust and competition laws prohibit?

Competition laws generally prohibit business practices that restrain trade.

### Price Fixing Agreements Strictly Prohibited.

Agreements among competitors relating to prices or any factors related to prices are strictly prohibited around the world (including, for example, terms and conditions of sale, list prices, discounts, price and discount ranges, minimum prices, prices for specific customers or bids, price stabilization, credit terms, customer allocation, production volumes or restrictions on output). A prohibited agreement need not be express, formal or documented; antitrust and competition laws prohibit tacit price fixing agreements and agreements that are oral. In addition, the definition of what constitutes an agreement may be interpreted differently in different countries and sometimes cover broader conduct than those in other countries.

### Information Exchange Among Competitors Prohibited.

In addition to price fixing agreements, antitrust and competition laws generally prohibit the exchange among competitors of their non-public commercial information of the following types concerning their products and services:

- Future prices or pricing strategies;
- Customer negotiation status and strategy;
- Discounts, sales incentive plans, rebates;
- Internal market forecasts;
- Capital expenditure plans, new product development, new technologies; and
- Inventory levels, production capacity and utilization, future sales quantities or orders.

Information exchange among competitors can give rise to serious antitrust and competition law issues even in the absence of a price fixing agreement. Even simply receiving non-public commercial information from a competitor can create substantial antitrust risk.

## Interaction with Competitors

Interaction with competitors is inherently risky and should be avoided except in limited circumstances where the interaction is necessary for a legitimate business purpose. For example, forums, seminars, workshops and best practice groups focusing on industry sectors, standards groups that have anti-trust counsel, as well as trade fairs and meetings of legitimate trade associations often involve interacting with competitors but can nonetheless serve important business goals. However, such encounters also create an opportunity for communications that do not serve legitimate business purpose but do create antitrust and competition law risk.

Fundamentally, Members who interact with competitors – for any reason, in any environment, even if the competitors are your personal friends, ex-colleagues or family members, must not discuss sensitive commercial information. There must be no agreement or exchange of competitive information.

Certain types of competitor interactions give rise to the greatest risk because they create an opportunity for prohibited agreements or information exchange. Even in the absence of prohibited conduct, certain types of interactions with competitors may create the appearance of improper conduct, including:

Informal meetings, gatherings of competitors, or courtesy visits to or by competitors;

Repeated social gatherings with competitors (including activities such as golf, dinners, clubs); or

Direct contacts such as e-mail messages, text messages, or telephone calls.

Even when interactions among competitors begin as merely social contacts, over time repeated interactions can cause the relationship of the parties to change and can result in prohibited conduct and information exchanges described above.

COTSYS Group Members must notify an appropriate member of the Compliance or Legal department if they have regular interactions of any kind with competitors.

## Penalties for Violations are Severe

The penalties for anticompetitive conduct are severe. Violations can result in large fines for the company, fines and imprisonment for individuals and private litigation. Anticompetitive conduct never makes financial sense for the company or any individual employee. For example:

Individuals in various countries have received prison sentences for engaging in, or directing, violations of antitrust law.

Competition enforcement authorities around the world have imposed massive, and ever increasing, fines on companies that have engaged in anticompetitive conduct. Several mobile operators were fined € 50m for participating in a single meeting involving the exchange of competitive information.

Other companies have been fined hundreds of millions of dollars for patterns of conduct involving information exchange and anticompetitive agreements.

Findings that a company has engaged in anticompetitive conduct can have serious operational impacts, including difficulty in securing government contracts, reputational harm, and loss of trust with customers and suppliers.



## Responding Appropriately When an Issue Arises

In order to avoid placing yourself or your company at risk, please follow the below rules:

Never make any agreement with a competitor about price or any term of sale (unless as part of some legitimate joint commercial activity that has been reviewed and approved by the Legal Department)

Never provide a competitor with sensitive commercial information about our products, prices, sales, discounts, production, business, or customers.

If you receive any such information from a competitor, or if you are ever approached by a competitor seeking to exchange any such information, please immediately report this to the Legal or Compliance Department.

Always make sure that the source of information about competitors is clear when you receive such information from dealers, customers or other legal sources.

Never verify or check information gained from a public source or customers with a competitor.

Be careful at meetings which are attended by competitors and leave if there are questionable discussions.

It is critically important that you proactively report any potential issue to the Compliance or Legal Department when it occurs. Most countries have programs that provide significant legal protection to the first company that reports a potential problem ("amnesty" or "leniency" program). If an issue arises, we may be able to mitigate the impact on the company by addressing the situation promptly. If we do not do so, our competitors would likely do so instead.

**End Of The Document**