

## **CODE OF BUSINESS CONDUCT**

### **INTRODUCTION**

The Code of business conduct (hereafter « the Code ») is designed to set certain standards of conduct for all employees of the Group McPhy Energy (hereafter « the Group ») as well as representatives, agents, consultants and all persons that provide goods and services on behalf of the Group or its various entities. These principles do not cover every issue that may arise but set out basic principles to guide all employees and officers in carrying out their business duties.

These principles form the basis of compulsory application. They might be adapted, as the case may be, depending on local laws and regulations. However, if a local custom or policy conflicts with the Code, the employee or officer must comply with the Code. If any aspect of the Code is unclear or is not precise enough, the employee should ask her/his supervisor as to how to handle the situation. Finally, because certain principles set out in the Code are derived from legal and regulatory duties, failure to comply with certain aspects of the Code could subject the offender to civil or even criminal liability.

Every employee and officer of the Group acts with fairness, integrity and a sense of responsibility, in accordance with the commitments of the Group. Regardless of its position, she/he must comply, within the limit of their duties, with the rules set forth below, that form part of their normal duties of loyalty and good faith, and ensure that they are also complied with by all persons in their teams or under their supervision. Every company controlled by the Group and every employee and officer is expected to behave in a way that does not elevate the objectives and interests of the company over the objectives and interests of the Group taken as a whole.

### **COMPLIANCE WITH LAWS AND REGULATIONS**

Compliance with the law is the basic principle underlying the Group's policies. All employees and officers are expected to respect and comply with laws and regulations that apply to her/him.

As a result of its presence throughout the world, the Group's operations are subject to laws and regulations of many countries and supranational organizations such as the European Union. As McPhy Energy is a company listed in France, the laws of France may at times extend to all Group's entities in addition to laws that would apply locally.

Moreover, these principles refer to the following international agreements:

- the Universal Declaration of Human Rights ;
- the international conventions of the International Labour Organisation;
- the guiding principles of the OECD for multinational companies...

Beyond compliance with the relevant laws and regulations, all employees and officers are expected to carry out their duties with integrity and meet the highest standards of professional conduct in their dealings with the Group's client, suppliers, governmental bodies or partners of the Group. Employees and officers should ensure that all partners and suppliers are treated with fairness, with selection criteria being objective and transparent such as quality, cost or delivery times with respect to a supplier.

### **COMPLIANCE WITH COMPETITION AND TRADE LAWS**

Competition is necessary to achieve economic efficiency and constitutes such a key element of free enterprise which the Group believes in. Most countries have implemented competition laws that prohibit unfair practices such as collusion, dumping...

McPhy Energy has defined compliance with the regulations relevant to competition and trade issues in the various countries where it operates as a Group policy. In case of breach, legal action could be taken in accordance with applicable laws and regulations. All employees and officers involved in competition and trade issues must conform themselves as to the Group's policies on competition and trade laws and abide by such policies during her/his business activities. Each employee or officer must

refer to the relevant supervisors any enquiries relating to the implementation of such policies in individual situation.

## **COMPLIANCE WITH LAWS ON INSIDER TRADING**

The Group has put in place incentive instruments that enable employees to become shareholders. Nevertheless, in the context of increased volatility of financial markets, it seemed to be necessary to draw the attention of employees to their responsibilities concerning investment transactions that they carry out in McPhy Energy shares. The Group thus wants its employees to be able to act with full knowledge and in a secure environment.

The objectives of the Group are to ensure compliance with the recommendations issued by the stock market authorities in the field of the management of the risks associated with the holding, disclosure or eventual use of privileged information.

A privileged information is non-public and precise information concerning McPhy Energy and the securities or negotiable financial instruments of this company which, if it were made public, could have an effect on the price of these securities or instruments. Privileged information should be kept in strict confidence until publicly released by authorized persons in accordance with applicable stock exchange regulations. Any employee or officer who has access to privileged information must keep such information confidential and refrain from carrying out any transaction in such shares whether for her/his own account or for the account of a third person until this information has been completely released to public. To use privileged information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only contrary to the Group's rules of conduct but also illegal.

As a measure of precaution and in order to avoid unintentional breaches of the rules recalled above, the Group has decided to stipulate so-called "black out" periods during which certain people are not allowed to purchase or sell McPhy Energy securities. These periods run from the 15th day preceding the publication date of a press release and this date, and from the proven date of knowledge by the holder of privileged information and the date on which this same information is brought to the knowledge of the public.

As part of the Group's policy on insider trading, directors, employees and officers who as a result of their duties may have access to privileged information are required to sign a specific undertaking to comply with the regulations applying to the Group in this respect.

As a result, every employee and officer of the Group must personally ensure compliance with the different legislation, in particular tax legislation, which could apply to his/her situation.

## **COMPLIANCE WITH LAWS ON CORRUPTION**

It is prohibited for any person to offer, promise or give any undue pecuniary or other advantage to a public and/or private official, in order to obtain a favourable treatment or to influence the outcome of a negotiation in which the Group is interested. Doing so is illegal in most countries and would be violating the international convention combating bribery of foreign public officials in force in many countries. An employee or officer who commits bribery while on duty could be subject to criminal penalties and termination of her/his employment contract.

## **PREVENTING CONFLICTS OF INTEREST**

### **RELATIONSHIPS WITH A COMPETITOR, CLIENT OR SUPPLIER**

A conflict of interest exists when a person's private interest is in conflict with the interests of the Company in a given professional engagement. Conflicts of interest arise when an employee, an officer or one of their family members has a business relationship with a competitor, client or supplier of the Group in the context of the negotiation or performance of an agreement or in carrying out an assignment for a Group entity. To receive advances, loans, guarantees or services in order to influence a decision to be taken by the Group would also constitute a conflict of interest, as well as for

an employee or officer to work simultaneously for a competitor, client or supplier or to hold significant interests in such companies. Each employee and officer must prevent conflicts of interest situations by avoiding permanent financial interest with a competitor, client or supplier of the Group outside of its professional activities.

To establish whether she/he is in conflict of interest or not, the employee must ensure that she/he acts in the best interests of the Group, regardless of any other consideration, personal preference or specific benefit. As conflicts of interest are not always clear-cut, each employee or officer should consult its supervisor in case of doubt in a given situation.

### **SPECIAL BENEFITS FROM WHICH EMPLOYEES COULD BENEFIT**

Employees undertake not to use the staff, the equipment and other assets of their company or of the Group for personal needs (direct or indirect) for a purpose other than of the attainment of the objectives of their company or of the Group.

Employees undertake, for themselves, their spouses, their family and the people in their entourage, not to accept from any person or company having – or seeking to develop – business relations with the company or the Group:

- rebates, commissions or other forms of remuneration,
- loans or advances, other than those obtained from banking or financial establishments at market conditions,
- goods, equipment, services or improvement work without payment or the invoices prices for which would not reflect those which are normally applied in the market,
- travel invitations or vouchers of an excessive value which would represent to an individual operation or an operation reserved for a very limited number of people,
- gifts other than of symbolic value.

To receive gifts that are not excessive in value, do not constitute cash gifts, are consistent with customary business practices and do not violate any laws or regulations, is permitted.

### **POLITICAL INVOLVEMENT**

The Group respects the fact that its employees and officers, in their capacity as citizens, participate or may wish to participate in community activities. All relevant employees and officers should however ensure that this participation does not encroach on the working hours that they must reserve for the Group, and avoid to morally or financially commit the Group in these activities. When an employee believes that his/her activities take a share of the working hours that he/she must reserve for the company of the Group which employs him/her or risks entailing a request for financial or other support from the latter, he/she must obtain prior authorization from his/her management. Furthermore, an employee or officer who happens to be involved in decisions to be taken by a State, a governmental agency or a public body must refrain from taking part in a decision of that body that affects the Group.

## **RELATIONS WITH THIRD PARTIES, COMMITMENTS AS REGARDS ITS CUSTOMERS, ITS EMPLOYEES AND ITS ENVIRONMENT**

### **RELATIONS WITH THIRD PARTIES**

Employees and officers represent their company and the Group McPhy Energy and, as a result, affect its image and its reputation. They must refrain from making unreasonable commitments in relation to their function.

### **COMMITMENTS AS REGARDS ITS CUSTOMERS**

The Group bases its success on its capacity of innovation, on the quality of its products and on the satisfaction of its customers. Attentive to their needs and their expectations, the Group undertakes to provide them with transparent information. Each company of the Group has the adequate quality structure and tools to ensure the right monitoring of its production, and the compliance of its obligations in terms of security.

## **HEALTH AND SAFETY**

To ensure the health and safety of its employees and officers is a Group priority. All employees and officers are entitled to work in a safe and healthy environment and are expected to participate in such efforts by acting in a responsible manner. The Group's health and safety policy applies to all of its employees, officers, sub-contractors and other third party service providers. Such policy is managed and monitored actively so as to improve the safety and health conditions of its employees, officers and sub-contractors on a continuing basis. Each employee and officer must perform their duties consistently with the health and safety rules applicable at her/his workplace and participate in such training programs as may be organized from time to time.

## **PREVENTING DISCRIMINATORY ACTIONS AND HARASSMENT**

The diversity of employees and cultures represented within the Group is a tremendous asset. As part of its employer commitments, the Group is determined to offer its employees and officers' equal opportunity in terms of recognition, progression and career path, irrespective of their origin or beliefs and does not tolerate any discrimination or harassment of any kind. These rules are applicable to recruitments made by the Group.

Examples include derogatory comments based on racial, ethnic, gender characteristics, age or religion, or to adopt an unwelcome attitude with a sexual connotation. Such acts are prohibited within the Group.

## **ENVIRONMENT**

As part of its commitment in relation to sustainable development, the Group integrates environmental aspects in its strategy and culture. The Group's commitments in this respect cover the mitigation of climate change, the conservation of nature, a more efficient use of energy and natural resources, the fact of minimizing the production of waste, harmful air emissions and water discharges, the preservation of heritage, landscape and biological diversity. Every employee and officer must, within the limits of her/his duties, participate in the Group's efforts and commitments by complying with applicable regulations and Group's environmental policies. Each employee or officer must report to the persons responsible for these matters, any compliance failures or possible exposures of which he becomes aware.

## **PROTECTION OF THE GOUPE'S ASSETS**

### **ACCURACY AND PROTECTION OF INFORMATION**

A good management of the Group requires that reliable information be conveyed to authorized recipients so as to enable them to carry out objective analysis and controls. It also implies that such information be protected to the extent that it is to remain confidential.

Every employee is obliged not to disclose confidential information to third parties outside of the Group and/or to other employees of the Group, except if she/he is certain (notably by experience) that this transmission is necessary for the execution of her/his mission and complies with the interests of the company.

Confidential information includes all non-public strategic, financial technical or business information such as formulas, processes, industrial know-how, industrial or business plans, financial and strategic plans, financial forecasts, business negotiations, marketing studies or client and supplier files, the disclosure of which would be harmful to the Group. Likewise, personal information regarding the Group's employees and officers, clients and suppliers must be handled with care so as to prevent any alteration or improper disclosure in accordance with the applicable law. The obligation to preserve confidential information also applies to information received from partners of the Group.

The confidentiality obligation continues even after the employment ends.

## **PROTECTION OF THE GROUP'S ASSETS AND RESOURCES**

Each employee and officer is responsible for the proper use of the Group's assets and resources and their protection. These include intellectual property such as trade secrets, patents, trademarks as well as installations, equipments and the assets and financial resources of the Group. These assets and resources must be used in accordance with their business destination or within the framework set, as the case may be, by the various Group entities. They may not be used for non-company business except where such use has been explicitly authorized by established procedures. Each employee and officer should endeavour to protect the Group's assets against any deterioration, alteration, fraud, loss or theft.

Employees and officers undertake not to use funds or other assets of their company or of the Group for a purpose other than in the context of the activities and objectives of the Group in compliance with the following conditions:

- transactions correspond to a service or supply of goods;
- Prices are not knowingly falsified compared with market conditions or normal practices,
- Payments are made directly to the co-contracting individual or company.

Employees undertake not to use the funds or other assets of their company or of the Group, directly or indirectly, for the benefit of associations and/or bodies without the formal agreement of the management.

## **FAIRNESS IN FINANCIAL REPORTING**

The integrity of financial reporting is crucial to ensure the proper management of the Group as well as fair and accurate financial disclosures. Records, books and accounts as well as the financial statements of the various entities of the Group must appropriately reflect the transactions carried out by such entities and must conform to applicable legal requirements, to applicable generally accepted accounting principles and to the Group's system of internal control. Similarly, accounting and financial information provided under the Group's reporting procedures must present a full and accurate disclosure of the financial situation of the relevant entities.

Employees and officers who prepare accounting records must act with precision, honesty and ensure that each entry is duly documented. Each and every employee and officer is expected to follow the rules and guidelines that apply to the booking and documentation of invoices, expenses and other items accounted for in the books. Unrecorded funds or assets should be maintained unless permitted by applicable law or regulation, and reviewed by outside auditors, in accordance with generally accepted accounting principles.

The Group ensures compliance with stock market regulations and the principles of corporate governance. The periodic reports published by McPhy Energy or other Group entities or reports prepared for governmental authorities must present full, fair, accurate, timely and understandable disclosures of the situation of the Group or its various entities.

## **IMPORTANCE OF INTERNAL CONTROLS**

Internal control plays an essential role in companies. It is designed to provide reasonable assurance to group management as regards the reliability of financial and business information, the protection of assets, compliance with regulations and internal rules and procedures as well as the efficiency and relevance of the management and monitoring of Group operations.

Responsibility, for the establishment, implementation and continued management of the internal controls processes lies with the management of each entity of the Group. These processes include the maintenance of an appropriate control environment, the assessment of general and financial risks, the completion of controls, the sharing of information within the Group and outside the Group as well as the general monitoring of the process.

Each Group employees and officers must cooperate with the persons performing internal controls and properly respond to potential information requests. Furthermore, it is prohibited to hinder in any way the internal control process, including those carried out by external auditors, or to hide any information in this respect.

## **IMPLEMENTATION OF PROCEDURES AND VIOLATIONS**

### **IMPLEMENTATION**

The implementation of the rules of business conduct is based on an organization and procedures combining flexibility and consistency. Each entity of the Group is responsible for implementing these rules taking into consideration any local constraints that may be applicable as a result of local laws and regulations or the legal status of its employees. The Group also seeks to enter into partnerships with clients, suppliers and industrial associates who share the same principles.

### **ALERTNESS**

Employees should see that these rules are complied with both by themselves and other employees. When the situation requires so, identity of an employee who has reported a violation shall be kept confidential. No entity of the Group will be permitted to take retaliation measures against an employee who has reported a violation in good faith.

### **RECOMMENDED APPROACH IN CASE OF DOUBT**

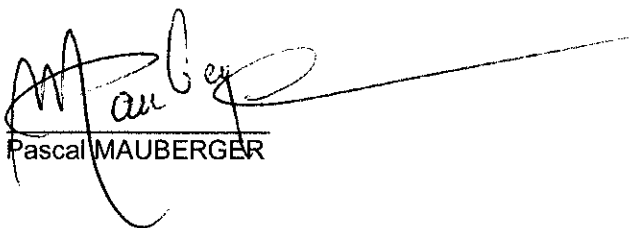
In certain situations, having to make a decision in compliance with the Group's rules of business conduct may turn out to be difficult or complicated. In these situations, it is important to have a way to approach the different issues at stake:

- Make sure you have all the facts: it is preferable to be fully informed of the situation before taking a decision;
- Ask yourself what precisely is expected from you: this will enable you to distinguish between the objective and the means to achieve the objective and consider the alternatives you have;
- Clarify your role and responsibility: in most situations, there is shared responsibility. Discuss the issues with your colleagues;
- Discuss the problem with your supervisor: this is the basic guidance for all situations. Remember that it is your supervisor's responsibility to help solve problems;
- Seek help from Group resources: in case you are in doubt regarding the implementation of a specific law or regulation, you can contact the group's legal resources. Considering the numerous laws and regulations to which the Group is subject, you may be redirected to an outside counsel.

### **VIOLATION OF THE CODE**

The Code set forth rules which all employees and officers are required to follow, within the limits of their duties. More precise description of certain principles set forth in this Code is contained in the policies, charters and other codes prepared by the Group. For any question regarding the implementation of the rules of business conduction in specific situations, employees and officers are to contact their supervisor who will inform the Director of the Group. In case the situation makes it difficult for an employee to contact her/his supervisor, the dedicated line should be used.

Failure to comply with the rules set forth in the Code will be considered as misconduct and subject to an employee or officer legal action in accordance with applicable laws and regulations.



Pascal MAUBERGER