

IPH-Brammer Group, Group Code of Business Conduct and Ethics



Group Code of Business Conduct and Ethics

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Foreword

Dear all,

Brammer and IPH have been creating together a leading pan-European industrial distribution business, with an exciting future ahead. We operate in twenty-three European countries, have the scale, the expertise, the reputation and the talent to continue to grow. The integration of IPH and Brammer has begun an exciting new era for our combined business.

At IPH-Brammer, we share the utmost conviction that the success of our Group rests on our employees. Together, we are committed to conducting business responsibly.

This spirit has led us to formalise a Code of Business Conduct and Ethics to govern our way to do business, to the benefit of each of us, as well as our customers, suppliers, shareholders and the communities in which we live and work.

Indeed, such Code explains IPH-Brammer's position as a sustainable business player, a respectful employer and a reliable business partner, and the values that are important to the Group. This Code sets out the guidelines and requirements of behaviours which should be observed when working for and collaborating with IPH-Brammer. Our objective in developing this Code is to provide you with concrete rules as well as assistance in situations you can face when doing business. The Code constitutes the very foundation of our Compliance policies and procedures.

This document applies to all of our employees in all the countries that we operate in, but is also aimed at providing guidance to our business partners to understand our commitments on key ethics principles.

IPH-Brammer's Board of Directors and executives have all endorsed the Code already and shall lead its implementation by example.

We are confident that each of us will fully engage with this Code of Business Conduct and Ethics. We trust that our business partners will also adhere to the fundamental principles which that are set out in this Code.

Best regards,

Johan Sleebus

Executive Chairman

January 2018

Code of Business Conduct and Ethics

1. Our values

At IPH-BRAMMER we are committed to being professional and customer oriented, whilst harnessing a winning spirit and the power of the team to deliver results.

2. Compliance and Applicability

In order to support our core values, we have in place comprehensive compliance processes and procedures. Compliance means abiding by national and international laws and ensuring robust internal policies and regulations.

As we continue to grow, we make sure all IPH-Brammer employees understand our shared responsibility for compliance and for meeting IPH-Brammer's high ethical standards.

This Code of Business Conduct and Ethics (hereinafter the "**Code**") defines binding principles and guidelines that require all employees and managers to behave in an ethical and law-abiding manner.

This Code applies to the IPH-Brammer Group, all its subsidiaries and affiliates (collectively "IPH-Brammer" or the "Company"), in all countries where IPH-Brammer operates and to all employees (internal, external or occasional), officers, directors acting on behalf of IPH/Brammer (collectively "**Employees**").

The application of the Code shall be subject to any restrictions or rights arising from the law in each jurisdiction in which the Company operates. Where differences exist between the Code and local law as a result of local customs, norms, laws or regulations, the highest standard of behaviour shall apply.

We all have the responsibility to ensure that the IPH-Brammer Group and its affiliates abide by the law in every country where we operate. Compliance with this Code and applicable law is mandatory.

Employees who violate the Code may be subject to appropriate disciplinary action by the employing company subject to local law and agreed procedures. Where an action is also in breach of the law, Employees may also be subject to prosecution under civil or criminal law.

3. Operational Compliance

3.1 Product & Services Safety and Quality

At IPH-Brammer, quality and safety mean making sure that our products and services meet or exceed our clients' expectations and fully comply with any applicable laws requirements and standards in force.

We are committed to satisfy our clients by marketing high-quality products that have proven their efficiency and safety.

3.2 Responsible Marketing

IPH-Brammer commits to developing and delivering products and services in a responsible way. Promotion and marketing of our services and products must always be accurate, in accordance with their characteristics and never cause any confusion for our customers. All applicable laws and regulations must be met when conceiving and implementing marketing and communication campaigns.

3.3 Prevention of Corruption

In IPH-Brammer, we require that all transactions with third parties are carried out in accordance with all relevant legislation related to corruption.

Consequently, we do not tolerate any form of corruption: Employees shall not directly or indirectly offer, promise, grant or authorise the giving of money or anything else of value to a government official or private business partner to influence official actions or obtain an improper advantage.

IPH-Brammer prohibits both the giving and receiving of bribes.

In addition, corruption is prohibited regardless whether it is carried out directly or indirectly, e.g., through a third-party agent or other intermediary.

All Employees share responsibility for adhering to the anti-corruption policies and procedures and must demonstrate and communicate the Company's absolute commitment to these principles.

IPH-Brammer demands compliance to all applicable regulations on prohibiting corruption and seeking transparency, such as major international requirements like the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the French Sapin II Law, U.S. Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act, and all other national and local anti-corruption laws in force wherever we operate.

Violations of the anti-corruption laws may have extremely serious legal consequences for the Company and any individual involved. We must remember that any form of corruption is not only a serious breach of this Code and can lead to internal disciplinary procedures, but is also a criminal offence leading to penalties and criminal sanction for the alleged persons and the Company.

Corruption is offering, giving, receiving or soliciting any type of benefit for the purpose of influencing the action of a person entrusted with a position of authority.

This includes actions taken directly or indirectly with the intent of performing a fraudulent action or of conveniently omitting a legal requirement.

A benefit can be defined as anything of value, such as bribes (monetary and any other valuable benefit), facilitation payments, kickbacks, inappropriate gifts or hospitality, sponsoring or any other direct or indirect benefit or consideration.

Facilitation payments are payments of small amount made to an authority, often a government official, to facilitate the approval of some type of business transaction or activity or secure the performance of government actions that does not require exercise of discretion (routine government action). Paying for a service that should otherwise be free in exchange for increased efficiency or rapidity constitutes a facilitation payment.

Gifts or hospitality

Ordinary corporate hospitality such as small business-related gifts, modest meals, entertainment and the like may be given and received by Employees, so long as they are reasonable, customary, not extravagant or excessive, not given or received for any improper purpose or influence and as long as they are in strict compliance with this Code, other applicable Company locally defined policies, and all applicable laws.

A gift or hospitality becomes inappropriate when it does not respect the above defined rules and **Company local policies** defining, amongst others, the monetary threshold, the level of ostentatiousness, the business purpose, and the cultural context.

Grants/Sponsoring

Sponsoring is a material support provided to an event, a person, a product or an organization for the purpose of gaining direct benefit such (as but not limited to) exposure in public places.

Any sponsorship or grant should be approved first and controlled by management.

The nature of the sponsorship should be reviewed and assessed. It needs to correspond to IPH-Brammer's vision, priorities and existing regulations. Its purpose must be correctly assessed to ensure it is effectively needed and used, and that it has not been deviated from its philanthropic or charitable purpose.

3.4 Fraud

Fraud is when deception is used to gain a dishonest advantage over another individual or company. Fraud can occur in any department, in many different ways, and does not always involve the loss of goods or money.

Employees must immediately report to his/her line management any suspected or attempted fraud, any unexplained disappearance of funds or securities, or any other suspected criminal activity.

Engaging in fraud is a fundamental breach of our core value of honesty and we treat it as a most serious breach of discipline. We do not tolerate fraud and require Employees to demonstrate the highest standards of honesty.

All cases of fraud will be investigated, recovery of losses arising will be pursued and disciplinary procedures fully enforced against employees engaged in or complicit in fraudulent acts.

3.5 Conflict of interests

Employees must avoid any activities in or outside the Company which cause or could cause a conflict of personal interests with the interests of the Company. Employee's decisions made in performing their professional duties should never be influenced by personal interests or considerations. Therefore, all Employees must, where possible, avoid situations in which an actual or potential conflict of interest may exist. Employees must not use their position or the property of the Company for their personal advantage or other gain.

Furthermore, Employees shall promptly and fully disclose any actual or potential conflicts of interest that arise to their manager. Each year any ongoing conflict of interest must be redisclosed.

3.6 Global Trade Compliance (Sanctions and embargoes)

IPH-Brammer is committed to complying fully with applicable regulations and restrictions concerning international trading including export and import control regulations. IPH-Brammer will respect sanctions and embargoes applicable to some countries, including the following reference standards: requirements from the US Office of Foreign Assets Control (OFAC); restrictions and measures defined by European Union (EU), sanction, embargoes and restriction from the Department for International Trade, Export Control Organisation (UK); restriction from the Office of Financial Sanctions Implementation and sanctions imposed by the World Bank, as may be applicable.

Reminder: What are sanctions and embargoes?

Sanctions and embargoes are economic measures and restrictions that restrict countries and entities from doing business with certain countries, entities and individuals.

Employees must be careful when conducting business activities that involves direct or indirect interaction with a new potentially restricted country.

3.7 Free and fair competition and anti-trust law

IPH-Brammer is committed to promoting the principles of fair and open competition based on compliance with competition law. Agreements of any kind with competitors about prices, terms and conditions of business, market allocation and other economical sensitive issues will not be tolerated.

3.8 Lobbying and political activities

Lobbying is an activity that aims to influence legislators or involves contributing to the public decision-making process relating to regulations likely to affect the Group activities.

At IPH-Brammer, we don't contribute to political parties, politicians or related institutions on any form (money, grant, donation ...).

4. Handling of information

4.1 Confidentiality

At IPH-Brammer, we are committed to protecting **trade secrets, intellectual property and other confidential information, this includes** IPH-Brammer's assets as well as those that are entrusted to IPH-Brammer by others.

Confidential information is information that we learn, receive or develop as part of our work and which is **not otherwise publicly available**. Such information is a valuable business asset that must be protected and **kept confidential** because its unauthorized use or disclosure could destroy its value and give others an unfair competitive advantage.

Information considered to be confidential comes in many forms (verbal, written, registered in a software etc.) that may include, but is not limited to: strategic, financial or business plans, commercial and supply strategies, information concerning our products, our prices, our customers or suppliers.

Confidential information, intellectual property and trade secrets must not be used or disclosed without appropriate authorisation, consistent with applicable law.

As confidential information has been collected within the professional framework, it belongs to IPH-Brammer or its business partners, and must be used only for IPH-Brammer business purposes and must not be used for a private gain or to damage the Group's interest and reputation.

4.2 Data privacy

"Personal data" means any information that can be used to identify an individual, whether directly or indirectly (e.g., name, date of birth, photograph, address, email address or any identifying number). We have access to individuals' private data in employment relationships (our employees) but also when doing business (our customers' or suppliers' representatives). IPH-Brammer is committed to guaranteeing the respect of data privacy requirements, Personal data can be retained and processed only for the purpose for which they have been collected and with authorisation if required. Personal data protection gives individuals whose data are held the right to control the collection, processing, use, disclosure and storage of data relating to them. IPH-Brammer prohibits the disclosure or misuse of Personal data. IPH-Brammer ensures compliance with the EU GDPR (General Data Protection Regulations) via robust controls and processes in relation to data security that must be followed at all times by employees.

4.3 Information Security

IPH-Brammer is committed to protecting the security of all forms of information (written, spoken and digital) used in our business activities, during all steps of the information life cycle: creation, storage, usage, communication and deletion. We have implemented appropriate security solutions in accordance with best business practice in our sector. We regularly audit and monitor the functionality of implemented security solutions.

Employees must comply with Information Security rules implemented by the Company and communicated country by country in the local IT policies.

5. Financial Integrity

5.1 Records

It is the policy of IPH-Brammer to keep accurate accounting books and records, and to maintain a system of internal accounting controls to ensure that all transactions are properly authorised, controlled and transparent.

Any business records that IPH-Brammer prepares, publishes or provides to authorities, shareholders and creditors, must be complete in terms of the applicable accounting principles. All financial records must be prepared correctly, in time and in accordance with the applicable legal requirements by Employees according to their field of activity and area of responsibility.

5.2 Money laundering

Money laundering is the process of transforming money obtained illegally in order to make these funds legitimate and thereby enter the stream of regular and formal commerce. It is not limited to cash transactions only, as it can include monetary instruments and other proceeds of illicit activities.

We all must pay attention to the origin of its clients to ensure payments are not part of these global illicit scheme which is often linked to more serious criminal activities. IPH-Brammer is committed to ensuring the company is not involved in money laundering activity directly or indirectly. Periodic risk assessment are carried out across the group in order to identify risk areas. Employees must comply with the money laundering risk assessment processes and ensure any potential instance of money laundering is reported to group appropriately.

6. Sustainability

At IPH-Brammer, we are convinced that sustainability constitutes a great opportunity to develop our business in a responsible and trustful manner. The implementation of sustainability practices contributes to strengthening long-term relationships with all of our stakeholders.

Our sustainability approach is formalised in the **Group Sustainability Charter**, in which we recognise that our employees are one of our strategic assets. We aim to cultivate a corporate culture which allows them to fully exploit their talents and enables us to grow together with them.

6.1 Anti-Discrimination and Harassment

We are strongly committed to protecting our Employees and respecting all applicable laws and international requirements regarding labour, both during the hiring process and for current employees. IPH-Brammer rejects all forms of discrimination on the basis of race, nationality, gender, age, sexual orientation, disability and personal beliefs (religious, political, etc.), and we will not tolerate any act of harassment and bullying at the workplace. Any misconduct will be firmly condemned. Instances of harassment, bullying or a generally unhealthy business culture should be reported via the company's whistleblowing processes and will be treated in a serious manner.

6.2 Health and Safety

Health and safety at the workplace is fundamental to the good functioning of our company. IPH-Brammer commits to complying with all enforceable legislations which govern safety at work, in order to guarantee safe and healthy workplace and working conditions. In keeping with these objectives, IPH-Brammer pledges to provide adequate and timely health and safety training to make sure our people act in accordance with health and safety requirements.

6.3 Human rights

IPH-Brammer is committed to meeting its responsibility to respect and promote Human Rights, and to avoiding any infringement of human rights or any adverse impact on or abuses of such rights.

As evidence of such commitment, we endorse several International Human Rights core instruments (such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organization's (ILO) eight core conventions, and the ILO Declaration on Fundamental Principles and Rights at Work).

Moreover, IPH-Brammer participates in the United Nations (UN) Global Compact. This commitment helps us integrate sustainability deeper within the Group's identity and business practices, in alignment with ten universally accepted principles. It also suits the Group's culture of promoting transparency, since our ongoing efforts in the areas of Human Rights, labour, environment and anti-corruption are annually assessed and publicly communicated to its stakeholders in an annual "Communication on Progress" (COP) available on internet.

It is especially important when addressing the topic of Human Rights to stress on the fact that we respect all local and international requirements. However, in case of a conflict between them and our Code of business conduct, we aim at enforcing the most stringent approach.

6.4 Environment

The Group is sensitive to environmental issues, and places the saving and the efficient use of its natural resources at the frontline of its activities. At IPH-Brammer, our objective is to have a positive impact on the environment whilst limiting our environmental footprint. As such, we are committed to respecting all applicable laws and norms regarding environmental stewardship.

7. Whistleblowing Procedure

The Group has implemented a Whistleblowing Procedure establishing an alternative method to alert and report on an actual or suspected violations of this Code. The details of the Whistleblowing Procedure are defined in a separate document and will be available on the combined Group intranet when this has been launched.

Employees can always contact their direct supervisor or manager, as they remain the primary contact to answer a question or solve an issue related to this Code.

Coming into effect

This Code is effective from 1 January 2018.