CODE OF ETHICS

BOUYGUES

Making progress become reality

CONTENTS

FOREWORD

The success and future of the Bouygues group depend on the confidence it inspires in its staff, shareholders, public and private-sector partners and, more generally, all its "stakeholders".

One key factor that helps to create this confidence is respect for the rules of conduct common to all the Group's business segments which are set out in the Code of Ethics which was first drawn up in 2006 and is regularly revised and updated in line with legal and social developments.

The Code of Ethics aims to bring together employees around the core shared values that must prevail when doing business, no matter what the circumstances or country.

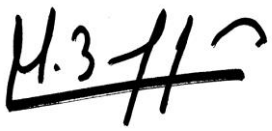
This Code of Ethics thus reflects the Group's values on matters of respect, integrity and responsibility.

These are the principles that must guide senior executives, managers and staff in their day-to-day actions.

It is important for you to read this Code of Ethics, to make sure that others read it and to comply with it scrupulously in the course of your activities.

It is up to each and every one of you to comply with the Code of Ethics to enable the entire Bouygues group to continue its development.

Martin Bouygues
Chairman of the Board of Directors



Olivier Roussat
Group Chief Executive Officer

DEFINITIONS

Senior executive: means the directors and corporate officers of each Group Entity.

Entity: means the French and foreign-law companies and Entities that are directly or indirectly "controlled" by the Group's Business segments.

Group: means Bouygues SA and all the French and foreign-law companies and Entities directly or indirectly "controlled" by Bouygues SA (including joint ventures controlled by Bouygues SA, the Business segments or their Entities). "Control" has the meaning given to it in the combined provisions of Articles L. 233-3 and L. 233-16 of the French Commercial Code (*Code de Commerce*) and consequently includes both *de jure* and *de facto* control.

Manager: each Business segment will define the concept of "manager" applicable to its scope based on its processes and activities.

Business segment: means, in this document, Bouygues SA and each of the Group's Business segments, which are, as of the date hereof, Bouygues Construction, Bouygues Immobilier and Colas (Construction businesses), TF1 (Media) and Bouygues Telecom (Telecoms).

Ethics Officer and Compliance Officer: each Business segment appoints its own Ethics Officer and a Group Ethics Officer is appointed within Bouygues SA. In principle, the Ethics Officer is the General Counsel of the relevant entity and is in charge of the roll-out and implementation of the Group's Code of Ethics, Anti-Corruption Code of Conduct and Compliance programmes and policies. He or she may be supported by a Compliance Officer who is responsible for the operational implementation of these matters.

I. CODE OF ETHICS: WHAT IS IT FOR?

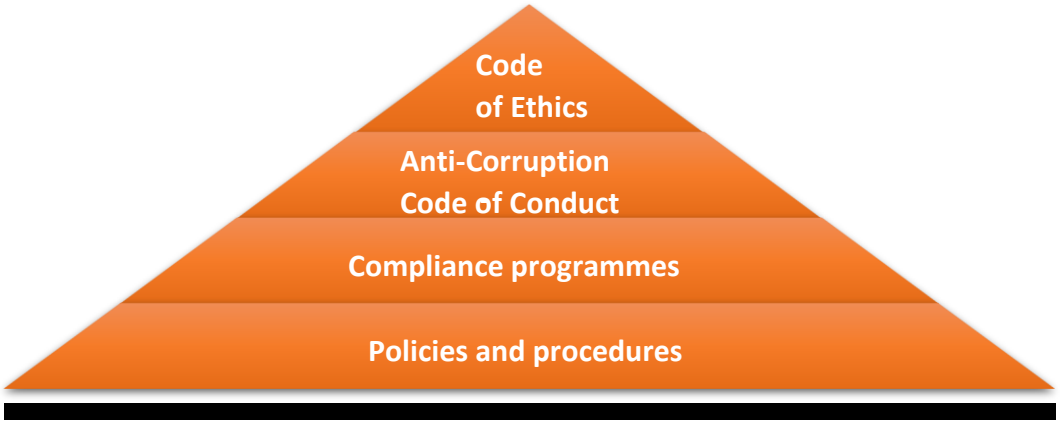
The Bouygues group's reputation and robustness hinge on the confidence of its stakeholders, its employees and Senior executives, which in turn stems from respect for the core shared values of respect, integrity and responsibility. These values are intended to guide our Business segments in all their business dealings.

This Code of Ethics aims to ensure that everyone adopts the appropriate behaviour at all times. Its purpose is to bring together the Group's Senior executives and employees around shared values. These values must underpin the decisions we have to make on a day-to-day basis, whatever our level of responsibility.

The resulting principles of action are clarified in the Anti-Corruption Code of Conduct, a practical guide setting out the behaviour to adopt in all situations that might breach the ethical rules and, therefore, our core shared values.

Furthermore, compliance programmes[1] and policies[2] have been drawn up to deal more specifically with certain key issues for the Group.

The Anti-Corruption Code of Conduct, compliance programmes and policies form an integral part of the Code of Ethics and constitute its implementation guidance.



They may be supplemented, as necessary, by procedures drawn up by the Business segments.

(1) As of the date hereof, these Compliance programmes are "Embargoes and Export Restrictions", "Competition", "Financial Information and Securities Trading" and "Conflicts of Interest".
(2) As of the date hereof, the "Gifts and Hospitality" policy.

II. CODE OF ETHICS: WHO IS IT FOR?

This Code of Ethics applies to all employees and Senior executives of the Group[1] in the course of their activities, regardless of the Entity, project or country concerned.

It is intended to be shared with all stakeholders with whom we interact. We expect them to comply with it or to apply standards that are least equivalent to those set out in our Code of Ethics.

The Group's Senior executives are responsible for ensuring that the Code of Ethics is fully and properly applied. They are supported in this by the Ethics Officers, who make sure that it is implemented on a day-to-day basis and is understood and embraced by everyone.

(1) In the case of a joint venture controlled jointly by a Group Entity and a partner where it is not possible to require compliance with this Code of Ethics, the partner should be asked to make a contractual undertaking to respect standards that are at least equivalent to those set out in this Code of Ethics.

III. ETHICAL MANAGEMENT

The Group believes that exemplary leadership should form the foundations of any ethical approach. Employee engagement stems from management's respect for and embodiment of the Group's ethical values and culture.

Senior executives and Managers must not only observe the highest ethical standards but also pass on this message to their employees.

They are therefore expected to lead by example and, in particular:

- they must not do anything that is contrary to the provisions of this Code of Ethics;
- they must be fair and refuse to tolerate any form of discrimination, and must treat all employees equally and fairly;
- they must make self-respect and respect for others a managerial priority and refuse to tolerate any form of harassment, including all sexist or insulting comments and any behaviour that could threaten human dignity by creating an intimidating, hostile, humiliating or offensive environment; and
- they must react immediately and take whatever measures are required in response to situations in breach of management ethics.

IV. SHARED VALUES

Acting with respect, integrity and responsibility

1. Respect

Respect is one of the Group's key values and must guide everyone in their individual behaviour, whether internally in dealings with the Group's employees and Senior executives, or externally in dealings with stakeholders and all third parties.

All Business segments and Entities must ensure that everyone with whom they interact is treated with respect and dignity.

Employees and Senior executives

The Group seeks to apply a fair human resources policy, with no distinction in terms of gender, ethnic origin, religion or beliefs, disability, age, sexual orientation or nationality. It promotes gender equality in all areas (training, job grade, promotion, internal job mobility, pay, etc.) and diversity of backgrounds and qualifications.

The Group also seeks to respect the private lives of its employees and senior executives, including their personal data, and assures their health and safety during the course of their activities.

Reciprocally, the Group expects its employees and senior executives to show respect on a day-to-day basis, whether:

- **Internally,** in dealings with their colleagues, line Managers and subordinates; or
- **Externally,** in dealings with other stakeholders (authorities, customers, suppliers, shareholders, etc.).

Stakeholders

Respect is at the heart of the Group's relationships with its various stakeholders (authorities, customers, suppliers, shareholders, etc.). Thus, the Group makes sure that all of its dealings with them are conducted honestly and fairly, regardless of the contact person.

Reciprocally, the Group expects all its stakeholders to show mutual respect.

Lastly, the Group promotes its commitments in terms of respect for human rights by complying with the following principles and agreements:

- Principles of the United Nations Universal Declaration of Human Rights;
- Fundamental conventions of the International Labour Organisation (ILO), in particular with regard to forced and child labour;
- Principles of the United Nations Global Compact.

2. Integrity

The Group places a high value on strict compliance with laws, regulations and internal standards, particularly as regards the fight against corruption and influence peddling; competition law; stock market regulations; economic sanctions; prevention of conflicts of interest; human rights; fundamental freedoms; environmental protection; health, safety and security in the workplace; and personal data protection.

To that end, the Group has published various documents describing the rules to be applied by senior executives and employees on a day-to-day basis. All of those rules are set out in the Anti-Corruption Code of Conduct and the various compliance programmes, which may if necessary be supplemented by other documents such as policies, procedures or recommendations.

The Business segments organise training for employees and senior executives to ensure that they do not engage in any illicit behaviour that might incur their liability or that of other employees and senior executives, their Entity, Business segment and/or Bouygues SA.

Thus, we expect all employees and senior executives to:

- have a minimum knowledge of the regulations that apply to their sector of activity;
- regularly question the legality of their actions; and
- seek advice when needed from their line Manager, legal department, Compliance Officer or Ethics Officer.

Failure to do so may lead to internal sanctions and/or sanctions imposed by the competent legal and administrative authorities, which could therefore generate a potentially significant reputational risk.

If you have any questions about this Code of Ethics or about ethics in general, you should contact your line manager, legal department, Compliance Officer or Ethics Officer to obtain further clarification about these standards and the behaviours to adopt.

3. Responsibility

All Senior executives and employees have a duty to respect a professional ethic based on the Group's shared values, the rules and principles of action set out in this Code of Ethics, the Anti-Corruption Code of Conduct, the Group's compliance programmes and policies, as well as the Business segment procedures where applicable.

Senior executives and Managers are also ambassadors for this Code of Ethics. They are therefore responsible for initiating communications, awareness and training actions to help employees embrace the Group's ethics culture.

This responsibility is all the more important in that failure to respect the rules set out in this Code of Ethics could lead the Group to take civil action against employees or senior executives who deliberately breach the rules.

Furthermore, the Group's actions also include a social responsibility, of which all employees and senior executives should be aware.

Growth in our business is contingent on strong, unconditional acceptance of international CSR (Corporate Social Responsibility) standards.

A CSR Charter for Suppliers and Sub-contractors formally sets out the commitments expected by the Group of its suppliers and sub-contractors in terms of ethics, anti-corruption, respect for human rights and working standards, health and safety of people and environmental protection.

Lastly, aware of the social and environmental impacts its activities can have, the Group promotes patronage, in particular to forge lasting links with local communities in the countries where it operates.

V. EVERYDAY PRINCIPLES OF ACTION

1. Employee and senior executive ethics

The performance of the Group and its Business segments is dependent on the ethics of its employees and senior executives.

We expect all employees and senior executives to:

- **be loyal and respect the higher interest** of their Entity, Business segment and the Group;
- **fulfil their commitments** internally and towards third parties;
- **refrain from denigrating** their Entity, Business segment or the Group; and
- **embody the Group's shared values** both internally and in dealings with other stakeholders, in particular as regards:

RESPECT FOR HUMAN RIGHTS

Each year, the Group draws up and publishes a vigilance plan in its Universal Registration Document. This plan sets out the reasonable measures to be taken to identify risk and prevent serious violations of human rights and fundamental freedoms caused by the activities of the Group or the subcontractors and suppliers with which it has an established business relationship. Senior executives and employees are expected to read and comply with the vigilance plan, in particular as regards human rights, in the course of their activities.

RESPECT FOR THE ENVIRONMENT

The Group aims to observe best practices in environmental protection. In response to the climate crisis, the Group has made concrete commitments to reduce its greenhouse gas emissions by 2030 by setting objectives compatible with the Paris Agreement. Employees and senior executives should be aware of the role they have to play in this area. At their own level, they should ensure that their activities minimise their effects on the environment by considering how best to preserve biodiversity, protect natural resources and manage waste.

HEALTH AND SAFETY

Preventing the risk of accidents and occupational illnesses is of paramount importance for the Group. It requires everyone to follow all health and safety rules scrupulously. Employees and senior executives should, therefore, regularly consult the instructions on display concerning the Group's safety systems and arrangements.

PARTICIPATION IN PUBLIC LIFE AND CORPORATE NEUTRALITY

The Group respects the commitments of its employees and senior executives who participate in public life. There must be no discrimination against employees or senior executives who are candidates for an election or who hold a political office. The Group seeks to maintain a neutral political stance. Employees and senior executives may therefore exercise their freedom of opinion and political activity outside the workplace, at their own expense and on a strictly personal basis. They must not involve the Group or any of its Entities, in particular by disclosing their ties with the Group. To that end, all employees and senior executives should ensure that they observe the Conflicts of Interest Compliance Programme.

The Group respects the beliefs of its employees and senior executives when expressed in a private capacity. The principle of neutrality in the expression of political, religious or philosophical beliefs must be respected and no form of proselytising in the company will be tolerated.

CONFLICTS OF INTEREST MANAGEMENT

Given their duty of loyalty, employees and senior executives should take care not to put themselves into a conflict of interest situation, either directly or indirectly, with their Entity, Business segment or, as the case may be, the Group. As required by the Conflicts of Interest Compliance Programme, they must inform their line Manager of the possible or actual conflict of interest facing them without omitting any facts. In such a situation, they may not act or intervene as a representative of the company. They must also abstain from any decision-making process involving the conflict of interest subject matter.

ZERO TOLERANCE FOR ALL FORMS OF CORRUPTION, INFLUENCE PEDDLING AND FRAUD

The Group has adopted a zero tolerance policy in these matters. Employees and senior executives are therefore expected to avoid any behaviour that could be considered as corruption, influence peddling or fraud. The Group's Anti-Corruption Code of Conduct sets out the standards and practices to be observed.

RESPECT FOR PERSONAL DATA REGULATIONS

The Group complies with all regulations governing the protection of personal data, in particular the GDPR. Employees and senior executives are expected to apply the relevant standards in this matter and to make sure that all personal data gathered in the course of their activities is treated appropriately.

FINANCIAL REPORTING

The Group strives for transparency and reliability in its financial reporting. Employees and senior executives must not disclose any financial information they hold on account of their duties to parties outside the Group. Nor must they pass on such information to employees or senior executives of the Group who are not authorised to have it.

PREVENTING INSIDER DEALING

The Group comprises several listed companies. Employees and senior executives should take great care when trading in the securities of a listed company controlled by the Group or a company involved in a transaction with the Group. A compliance programme has been drawn up for this purpose.

RESPECT FOR COMPETITION LAW

The Group complies with competition law (prohibition of collusion and abuse of dominant position, and all other practices contrary to competition law). The behaviours to adopt are set out in a specific compliance programme. In particular, employees and senior executives must refrain from any behaviour aimed at or having the effect of preventing, restricting or distorting competition in the markets.

EMBARGOES, ECONOMIC SANCTIONS AND EXPORT RESTRICTIONS

Due to its international reach and the nature of its business activities, the Group is expected to comply with regulations on embargoes, economic sanctions and export controls. To that end, it has drawn up a specific compliance programme, with which all employees and senior executives must comply.

PROTECTION OF ASSETS

Employees and senior executives must safeguard the integrity of the Group's tangible and intangible assets, regardless of their origin, nature or purpose. This includes ideas or know-how, customers, market information, technical or commercial practices, statistical data, movable and property assets etc. Employees and senior executives remain bound by this duty even after leaving the Group. The Group's assets may not be used for unlawful purposes or for purposes that are not connected with its activities (use for personal purposes or making them available for use by other parties). The Group attaches particular importance to the business use of communication systems and intranet networks. Use for personal purposes is only authorised if lawful, justified, necessary and reasonable.

INTRA-GROUP SOLIDARITY

We set great store by the wealth of our Business segments and we wish to preserve a relationship of internal solidarity. Thus, when several Group Entities forge a business relationship between them, they are guided by the same duty of loyalty as they have towards their customers, suppliers or external partners. All employees and senior executives, albeit bound first and foremost to safeguard the interests of their own Entity, should also ensure that intra-Group relations are excellent and run smoothly, regardless of the area involved.

2. Stakeholder ethics

Our Group owes its success to the confidence and ethics of its stakeholders.

Group customers

The diversity of our customers (individuals, French or foreign, public or private companies, governments, etc.) is an asset for the Group. Customer satisfaction is key to our long-term future and success.

Quality is therefore one of our strategic concerns. We urge all employees and senior executives to strive for continuous improvement in quality, while complying with the applicable standards on health, safety, ethics and the environment.

Suppliers and sub-contractors

We respect our suppliers and sub-contractors and we endeavour to ensure that our business relationships are fair and professional. We therefore urge all employees and senior executives to:

- seek to create a fair framework for negotiations in all circumstances; and
- govern relationships with third parties through a clear contract.

In exchange, we expect our suppliers and sub-contractors to comply with principles at least equal to those set out in the Code of Ethics and the CSR Charter for Suppliers and Sub-Contractors. They must use best efforts to ensure that their own suppliers and sub-contractors do likewise.

Group shareholders

Shareholder confidence is a key factor in the success of the Bouygues group. This is achieved through ongoing constructive dialogue and the regular provision of accurate, high-quality information.

We undertake to ensure that all of the Group's operations and transactions comply with stock market regulations. These operations and transactions are recorded accurately and fairly in the accounts of each Entity, in accordance with applicable regulations and internal procedures.

VI. IMPLEMENTING THE CODE OF ETHICS

The Group provides everyone with the practical means to implement the Code of Ethics.

1. Implementing the Code of Ethics in the Business segments

The Group's Business segments are responsible for implementing this Code of Ethics, as well as the Anti-Corruption Code of Conduct and the Group's compliance programmes and related policies.

It may supplement them where necessary according to the legal, practical or geographical requirements of its activities. However, any such additions must not breach the values and principles set out in this Code of Ethics. They must be approved by the Group Ethics Officer.

For ease of implementing the Code of Ethics, the compliance programmes and related policies are available at all times to the Group's employees and senior executives on their intranet. The Business segments may also make these documents available to their employees and senior executives by any other means.

2. Ethics Committee

Each Business segment has an Ethics Committee reporting to the Board of Directors. It meets regularly to address all ethics issues. It contributes to defining the rules and action plans underpinning the conduct of senior executives and employees. The Ethics Committee assesses the mechanisms in place to prevent and detect corruption.

3. Exchange and prevent

Our priority is to create a climate of dialogue within the Group. We are aware that it is not always easy to implement the Code of Ethics on a routine basis and that it may raise questions. We want everyone to be able to express their opinions and concerns about the Code of Ethics in the firm belief that they will be heard and supported by their line Managers.

In case of doubt or uncertainty, employees or Senior executives should contact their line Manager, legal department, Compliance Officer or Ethics Officer.

We also invite our stakeholders to contact the Business segment Ethics Officer and/or Group Ethics Officer if they have any questions about the proper application of the Code of Ethics and compliance arrangements.

4. Being responsible also means raising the alarm

We encourage employees (including external or occasional workers) and senior executives to flag any ethics issues to their direct or indirect line Manager, their legal department, Compliance Officer, Business segment Ethics Officer and/or Group Ethics Officer, Human Resources manager or the Entity's senior executives, allowing sufficient time for them to give relevant advice or to take an appropriate decision.

They may also use the whistleblowing facility (https://alertegroupe.bouygues.com) set up by the Group in accordance with the applicable provisions.

The whistleblowing facility guarantees that the identity of both the whistleblower and the person implicated will remain strictly confidential. In any event, the person who receives the alert is required to take measures to protect the identity of both the whistleblower and the person implicated when receiving, processing and retaining the alert.

A whistleblower who acts in good faith will not be liable to discriminatory or disciplinary measures of any kind. The procedure for dealing with alerts raised under the whistleblowing facility is described in the appendix to this Code of Ethics entitled Whistleblowing facility: procedure and rules pertaining to the receipt and processing of whistleblowing alerts.

APPENDIX: WHISTLEBLOWING FACILITY - PROCEDURE AND RULES PERTAINING TO THE RECEIPT AND PROCESSING OF WHISTLEBLOWING ALERTS

DEFINITIONS

Designated recipient: in principle, the designated recipient is the Ethics Officer of the relevant Business segment or the Group Chief Ethics Officer. By extension, it may also be the whistleblower's line Manager, the head of human resources, the compliance officer or legal department director of the relevant Entity or Business segment.

Facilitator: means any natural person or private not-for-profit organisation that assists the whistleblower in raising a concern or reporting a breach.

Whistleblower: means any natural person who reports or discloses, in good faith and with no direct financial incentive, information about a crime, an offence, a threat or harm to the general interest, a violation or attempt to conceal a violation of an international commitment duly ratified or approved by France, a unilateral act of an international organisation taken on the basis of such a commitment, European law or the laws and regulations.

Whistleblowing facility: means the tool made by the Group to receive and process all whistleblowing alerts. The facility can be accessed at https://alertegroupe.bouygues.com

1 RAISING A WHISTLEBLOWING ALERT

An alert must be raised in good faith and without direct financial incentive.

When the information underlying an alert has not been obtained by the Whistleblower in the course of his or her activities, the whistleblower must have witnessed the reported events first hand.

2 GROUP ALERT

If the Whistleblower believes that the situation goes beyond the scope of the Business segment, he or she may report the alert to the Group Ethics Officer instead of the Business segment Ethics Officer. Likewise, the Business segment Ethics Officer may pass on an alert to the Group Ethics Officer if he or she believes that the situation goes beyond the scope of the Business segment.

3 HOW TO RAISE AN ALERT

- **Method:** the Whistleblower should use the confidential and secure Whistleblowing facility to raise an alert. It may also be done via post or e-mail, preferably encrypted. An alert raised by telephone or in a private conversation with the Designated recipient must, where practicable, be confirmed in writing. Furthermore, if the alert is not raised on the Whistleblowing facility, it may be transferred to it with the prior agreement of the Whistleblower.
- **Subject heading**: the subject heading or the content of the letter or e-mail must clearly indicate that an alert is being raised under the Whistleblowing facility.
- **Whistleblower's identity:** the Whistleblower may provide all information about his or her identity (name, first name, Entity, function, e-mail, telephone numbers, etc.). Alerts may also be raised anonymously. Using the Whistleblowing facility guarantees the Whistleblower's anonymity. In any event, a Whistleblower who wishes to remain anonymous should provide the designated recipient with the means to contact him or her to facilitate the investigations of the facts reported.

- **Assistance:** the Whistleblower may be assisted by a Facilitator when raising an alert or disclosing a breach. The Facilitator will be protected in the same way as the Whistleblower.

4 CONTENT OF THE ALERT – DESCRIPTION OF THE FACTS OR EVENTS

The Whistleblower must provide a clear, impartial description of the events and information being reported.
The Designated recipient will only consider information directly related to the areas covered by the Whistleblowing facility and which is strictly necessary to verify the substance of the report and investigate the allegations.
The Whistleblower must, in all circumstances, treat the report and the identity of the person implicated in the strictest of confidence.

5 EVIDENCE – DOCUMENTATION

The Whistleblower should provide any documents, information or data he or she has to support the allegations, whatever the format or medium.
Any document, information or data given in the report that does not fall within the scope of the Whistleblowing facility will be destroyed or archived immediately by the Designated recipient, unless the relevant Entity's vital interests or the physical or mental well-being of its employees are at risk.

6 ACKNOWLEDGEMENT OF RECEIPT

No later than seven days after receipt of the alert, the Designated recipient will notify the Whistleblower of:

- acknowledgement of receipt;
- if applicable, any other information that might be required for the alert to be processed;
- an indication of how long it is likely to take to process the alert, which may not exceed three months from acknowledgement of receipt;
- how the Whistleblower will be advised of the action(s) taken (via the Whistleblowing facility, letter or secure e-mail), which will normally be before the end of the period referred to above.

7 CONFIDENTIALITY GUARANTEE

Alerts are received and processed in a way that guarantees the strict confidentiality of:

- the Whistleblower's identity;
- the identity of the person(s) implicated;
- documents, information or data provided in the report.

The Designated recipient will take all necessary measures to protect the security and confidentiality of any document, information or data provided, not only when the alert is first received but also during the investigations and as long as such information is retained. Anyone who comes to know about the alert and its contents, particularly during the investigations, is bound by the same strict confidentiality obligations.

More specifically, the Whistleblowing facility can only be accessed via an individual user ID and password, which are changed regularly, or by any other means of authentication. Access to data is recorded and the conformity of such access is controlled. The Designated recipient and anyone else who knows about the alert and its contents are bound by a heightened written confidentiality undertaking.
Any information likely to identify the Whistleblower may not be disclosed (other than to the judicial authorities) without the Whistleblower's prior consent.
Any information likely to identify the persons implicated in an alert may not be disclosed (other than to the judicial authorities) until the merits of the allegation have been established.
Consequently, the following procedure will apply:

- alerts may be raised by any means but preferably via the Whistleblowing facility as it guarantees total confidentiality;
- when processing an alert, the designated recipient will never mention the name of, or anything that might identify, the person(s) implicated except, as appropriate, (i) to his or her direct or indirect line Manager where necessary for internal investigation purposes, in accordance with applicable legal provisions, (ii) to the Group or Business segment Ethics Officer or (iii) to the judicial authorities. The direct or indirect line Manager and the Business segment or Group Ethics Officer are bound by the same strict confidentiality undertaking as the designated recipient.

8 RIGHTS OF PERSONS IMPLICATED IN A WHISTLEBLOWING ALERT

A person implicated in a whistleblowing alert will be informed by the designated recipient as soon as his or her personal data has been logged, electronically or otherwise. He or she has the right to access the data, ask for it to be rectified or deleted if it is incorrect, unclear or obsolete. These rights may be exercised by contacting the designated recipient.
When protective measures are necessary, particularly to avoid the destruction of evidence about the alert raised, the person implicated will only be informed once those measures have been taken.
The Designated recipient will inform the person implicated of the allegations made against him or her. The person implicated may obtain the following information upon request:

- a copy of these rules governing the Group's whistleblowing facility;
- a copy of the applicable legal provisions on whistleblowing.

The person implicated may under no circumstances obtain disclosure of the Whistleblower's identity.

9 HOW A WHISTLEBLOWING ALERT IS PROCESSED

The Designated recipient, where not the Business segment Ethics Officer, must inform and obtain the opinion of the Business segment Ethics Officer. The Designated recipient may also inform and obtain the opinion of the Group Ethics Officer or the competent Ethics Committee.
As part of a preliminary enquiry, the Designated recipient will first make sure that the Whistleblower has acted within the scope of the Whistleblowing facility and in accordance with the applicable regulations. If he believes that this is not the case, the Whistleblower will be informed promptly. The Designated recipient may ask the Whistleblower for additional information before a full investigation of the merits of the alert is initiated.
When processing the alert, the Designated recipient may make any enquiries he deems appropriate to assess the merits of the alert. He may involve the line Managers of the implicated persons) (provided they are not implicated) or any employee whose involvement he believes necessary to process the alert, always in the strictest of confidence.
As part of his investigations, he may call upon any outside service provider, who shall act in the strictest confidence.
If necessary, he may also ask the Whistleblower for further clarification.
If the Designated recipient believes that the investigation process will take longer than initially expected, he must inform the Whistleblower, if appropriate, giving reasons for the extra time needed and the ongoing status of the investigations.
The receipt and processing of a whistleblowing alert will always be conducted on a right-to-reply basis (the adversarial process principle) and in accordance with the provisions of labour law.
The Whistleblower may not receive any direct financial incentive for raising an alert.

10 ACTION TAKEN FOLLOWING THE ALERT – CLOSE OF PROCEDURE

Once the investigations are complete, a decision will be made on the action to be taken, which may include disciplinary action against the person who has committed or taken part in the wrongdoing and/or, as the case may be, referral of the matter to the administrative or judicial authorities.
The Whistleblower will be informed of the action taken following the alert via the Whistleblowing facility or by letter or secure e-mail. The Whistleblower and the persons implicated will also be informed that the whistleblowing procedure has been closed.
If, once the investigations are complete, no disciplinary or legal action is to be taken, the information contained in the original alert identifying the Whistleblower and the person(s) implicated will be destroyed or archived promptly (and no later than two months after the investigations have ended).
The information will be destroyed regardless of the medium on which it is stored, including electronic data.

11 CIRCULATION OF THE PROCEDURE

This procedure is an appendix to the Group Code of Ethics. It will be made available to employees by any appropriate means:

- wherever possible, a copy of the Code of Ethics to be given to all new employees;

- publication on the websites and intranet sites of Bouygues and the Business segments; and
- display on company notice boards intended for that purpose.

12 LEGAL PROVISIONS

In accordance with the applicable legislation, no retaliatory measures, threats, attempted reprisal or sanctions, including disciplinary action, may be taken against a Whistleblower or Facilitator who acts in good faith and with no direct financial incentive, provided the alert raised falls within the scope of and complies with the provisions of this procedure. Nor will the Whistleblower be liable to any civil sanctions if the alert or disclosure was necessary to safeguard the interests in question.
Conversely, anyone who abuses the system or acts with malicious intent will be liable to disciplinary action and, potentially, legal proceedings.

LIST OF ETHICS OFFICERS (GROUP, BUSINESS SEGMENT)

Business segment	Name	Contact details (France)
Group and/or Bouygues SA	Arnauld Van Eeckhout	Address: 32 avenue Hoche 75378 Paris Cedex 08 Tel.: +33 (0)1 44 20 10 18
Bouygues Construction	Jean-Marc Kiviatkowski	Address: 1 avenue Eugène Freyssinet 78280 Guyancourt Tel.: +33 (0)1 30 60 26 48
Bouygues Immobilier	Pascale Neyret	Address: 3 boulevard Gallieni 92130 Issy-les-Moulineaux Tel.: +33 (0)1 55 38 26 24
Colas	Emmanuel Rollin	Address: 1 rue du Colonel Pierre Avia 75015 Paris Tel.: +33 (0)1 47 61 74 74
TF1	Didier Casas	Address: 1 quai du Point du Jour 92100 Boulogne-Billancourt Tel.: +33 (0)1 41 41 18 54
Bouygues Telecom	Anne Friant	Address: 37-39 rue Boissière 75116 Paris Tel.: +33 (0)1 39 45 33 66

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IMPORTANT NOTICE

This document gives an overview of the rules in effect at 30 January 2022. It will be revised as necessary and the amendments will be posted only on the intranet and on bouygues.com.

2014 • Revision: January 2022

The Bouygues group Code of Ethics, Anti-Corruption Code of Conduct and Compliance Programmes (Competition, Financial Information and Securities Trading, Conflicts of Interest Embargoes and Export Restrictions) are accessible on the Group's intranet (ByLink).

BOUYGUES

ANTI-CORRUPTION CODE OF CONDUCT

BOUYGUES

Making progress become reality

CONTENTS

FOREWORD

The Bouygues group first drew up an Anti-Corruption Compliance programme in 2014. It was revised in 2017 to include the requirements of France's Sapin 2 law of 9 December 2016.

In addition to the Code of Ethics, we also wished to update this programme to take the latest regulations into account and make it even more explicit and practical.

Since 2017, the fight against corruption has been stepped up in France and worldwide and regulatory requirements have become increasingly stringent, in particular due to the extra-territorial application of various laws. Breach of the rules can have extremely serious implications for the Group, its senior executives and employees, including heavy fines, prison sentences, and restriction of the Group's ability to bid for public and private contracts and raise funds.

It is therefore vital for everyone to understand, embrace and strictly observe the rules on the prevention of corruption.

Quite obviously, our Group does not tolerate any form of corruption. Refusal of all forms of corrupt practices must be a fundamental obligation for all senior executives, managers and employees.

We particularly draw the attention of senior executives and managers to their specific responsibilities in this respect. We urge them to read this Code carefully, to circulate it broadly among their employees and make sure that its rules on prohibition, prevention and control are implemented effectively both in France and abroad.

Employees must understand that the Bouygues group does not tolerate any violation of the rules prohibiting corruption. All employees must therefore receive anti-corruption training. Above all, they should know that they can count on their line managers and the Group and Business segment Ethics Officers if they are exposed to a situation or event involving corruption. An employee must never be left to handle such a situation alone.

Martin Bouygues
Chairman of the Board of Directors

Olivier Roussat
Group Chief Executive Officer

DEFINITIONS

Public official: anyone in a position of official authority, whether appointed or elected, including:

- anyone who is employed or used as an agent or representative by a national, regional or local authority, an entity controlled by one of those authorities or an independent administrative authority;
- anyone employed or used by a public agency;
- candidates running for public office;
- heads of political parties; and
- employees of international public organizations.

Corruption: corruption may be active or passive.

- **Active corruption** is giving or agreeing to give a French or foreign public or private entity or person an undue advantage in exchange for acting or refraining from acting in the exercise of their official duties in order to benefit the perpetrator. The offence is committed even if the advantage is not actually paid or given. Fraudulent intent does not have to be proved for the offence to be pursued and punished.
- **Passive corruption** is accepting or soliciting an undue advantage that meets the above conditions.

Senior executive: means the directors and corporate officers of each Group Entity.

Entity: means the French and foreign-law companies and Entities that are directly or indirectly "controlled" by the Group's Business segments.

Group: means Bouygues SA and all the French and foreign-law companies and Entities directly or indirectly "controlled" by Bouygues SA (including joint ventures controlled by Bouygues SA, the Business segments or their Entities). "Control" has the meaning given to it in the combined provisions of Articles L. 233-3 and L. 233-16 of the French Commercial Code (*Code de Commerce*) and consequently includes both *de jure* and *de facto* control.

Manager: each Business segment will define the concept of "manager" applicable to its scope based on its processes and activities.

Business segment: means, in this document, Bouygues SA and each of the Group's Business segments, which are, as of the date hereof, Bouygues Construction, Bouygues Immobilier and Colas (Construction businesses), TF1 (Media) and Bouygues Telecom (Telecoms).

Ethics Officer and Compliance Officer: each Business segment appoints its own Ethics Officer and a Group Ethics Officer is appointed within Bouygues SA. In principle, the Ethics Officer is the General Counsel of the relevant entity, and is in charge of the roll-out and implementation the Group's Code of Ethics, Anti-Corruption Code of Conduct and Compliance programmes and policies. He or she may be supported by a Compliance Officer who is responsible for the operational implementation of these matters.

Influence peddling: like corruption, influence peddling may be active or passive.

- **Active influence peddling** is bribing a person to use their actual or supposed influence over another person to obtain an advantage or favourable decision.
- **Passive influence peddling** is agreeing to use one's influence or soliciting an advantage or favour in exchange for using one's influence.

I. THE GROUP'S COMMITMENT TO COMBATING CORRUPTION

The Bouygues Group condemns all forms of active and passive Corruption and Influence peddling, whether in the public or private sector and whether committed in France or abroad.

As stated in the Group's Code of Ethics, acts of Corruption, Influence peddling and similar offences are totally contrary to its shared values and ethical principles. Consequently, the Group has a zero tolerance policy as regards corruption and any breach of the applicable rules will be subject to disciplinary action.

This commitment to combating Corruption is all the more justified in that any breach of the national or international regulations, even where highly localized or involving insignificant amounts, could have very serious implications for the Group, its Senior executives and employees. Apart from fines and prison sentences for its Senior executives, a breach of the anti-corruption rules could:

- restrict the Group's access to public and private contracts;
- limit its ability to conduct business (for example, confiscation of assets, discontinuation of or restrictions on various activities);
- make it more difficult to obtain bank credit or insurance and attract investors;
- lead to internal disorganization and have a negative impact on staff; and
- harm the Group's image on a lasting basis.

In 2017, the Group revised its anti-corruption compliance programme to include the requirements of the law of 9 December 2016 on transparency, the fight against corruption and modernization of business life (the "Sapin 2" law)[1]. The revised compliance programme is now replaced by this Anti-Corruption Code of Conduct.

The Code sets out the anti-corruption information, prevention, detection, control and sanction measures to be implemented by the Group in France and abroad[2].

Each Business segment may add or adopt more restrictive rules than those contained in this Code based on its risk map or specific business features. However, any changes must first be approved by the Group Ethics Officer.

(1) Notably Article 17, II, 1° of the Sapin 2 law.

(2) In the case of a joint venture controlled jointly by a Group Entity and a partner where it is not possible to require compliance with this Code, the partner should be asked to make a contractual undertaking to respect standards that are at least equivalent to those set out in this Code.

II. RECIPIENTS OF THE CODE OF CONDUCT

This Code of Conduct applies to all employees and senior executives of the Group[1] in the course of their business activities, regardless of the Entity, project or country concerned.

Each Business segment must ensure that all Entities in its scope adopt and apply the Code of Conduct in France and abroad.

All Group employees have a duty to combat corruption in all its forms.

Lastly, the Group expects its stakeholders (customers, suppliers, sub-contractors, co-contractors and intermediaries) to apply standards that are at least equivalent to those set out in this Code of Conduct.

(1) In the case of a joint venture controlled jointly by a Group Entity and a partner where it is not possible to require compliance with this Code, the partner should be asked to make a contractual undertaking to respect standards that are at least equivalent to those set out in this Code.

III. EVERYONE'S CONCERN

1. Commitments of the Group's Senior executives and Managers

The commitment of the Group's Senior executives and Managers is vital to ensure that the Code of Conduct is circulated to and embraced by all employees.

The role of Senior executives is all the more crucial in that the Sapin 2 law makes them responsible for implementing and applying anti-corruption arrangements, including a compliance programme. If they fail to do so, sanctions may be imposed on them personally[1].

The Group therefore expects all Senior executives and Managers to lead by example by:

- refraining from all corrupt practices and similar offences;
- implementing the information and prevention measures described below; and
- assisting in detecting and punishing any employee who violates the Code of Conduct.

The Group's Senior executives and key Managers are required to make a written commitment to this effect, which will be renewed every two years to factor in changes in regulations, recommendations made by the control authorities and more stringent standards.

An essential pillar of the anti-corruption arrangements

Exemplary management leadership is fundamental. You are ambassadors for this Code of Conduct with regard to the Group's employees and stakeholders.

You must therefore apply a zero tolerance policy on Corruption within your Business segment or Entity. You are also responsible for creating a climate of trust in which all employees feel that they can express any concerns they may have about ethical issues.

2. Commitments of employees

All Group employees have a duty to combat Corruption in all its forms. Accordingly and under penalty of sanctions, including criminal sanctions, they shall not:

- allow themselves to be corrupted in any way or attempt to corrupt a private individual or public official either directly or through an intermediary; or

(1) See Article 17, IV and V of the Sapin 2 law.

- commit any offences similar to Corruption (Influence peddling, favouritism[1], unlawful acquisition of interests[2], money laundering[3], etc.).

The Group therefore expects all employees to embrace this Code of Conduct and to demonstrate care and discernment at all times in the course of their activities.

To ensure that the fight against Corruption is embraced by our stakeholders (customers, suppliers, service providers, sub-contractors, co-contractors and intermediaries), employees should make sure that their dealings with them meet the Group's compliance standards.

In the front line

You are the front-line players in day-to-day compliance. The tools provided by the Group should enable you to answer any questions you may have about the detection of and fight against Corruption.

However, if you have a doubt or a question, you should seek advice from your line Manager, legal department, Compliance Officer or the Business segment or Group Ethics Officer.

3. Role of the ethics/compliance department

The Group provides the means required to combat breaches of probity.

The ethics/compliance department is headed by the Ethics Officer, who in principle is the Business segment's general counsel, supported by specific teams (and, as the case may be, a Compliance Officer).

The role of the ethics/compliance department is to:

- organize the roll-out and implementation of the Code of Conduct;
- advise employees on matters relating to the Code; and

(1) Under Article 432-14 of the French Criminal Code, "*Any person holding public authority or discharging a public service mission or holding an elected public office or acting as a representative, administrator or agent of the State, local or regional authorities, public undertakings, mixed economy companies of national interest discharging a public service mission and local mixed economy companies, or any person acting on behalf of any of the above-mentioned bodies, who procures or attempts to procure for others an undue advantage through a practice that breaches the statutory or regulatory provisions intended to ensure freedom of access and equality for candidates tendering for public and public service concession contracts, will be punished by two years' imprisonment and a fine of €30,000.*"

(2) Under Article 432-12 of the French Criminal Code, *"The taking, receiving or keeping, directly or indirectly, of an interest in a business or business operation by any person holding public authority or discharging a public service mission, or any person holding an elected public office who at the time in question has the duty of assuring, in whole or in part, its supervision, management, liquidation or payment, will be punished by five years' imprisonment and a fine of €500,000 or, if higher, twice the amount of the proceeds from the offence."*

(3) Under Article 324-1 of the French Criminal Code, *"Money laundering is facilitating by any means the false justification of the origin of the assets or income of the perpetrator of a crime or offence that has brought the perpetrator a direct or indirect benefit. Money laundering is also assisting with investing, concealing or converting the direct or indirect proceeds of a crime or offence. Money laundering is punishable by five years' imprisonment and a fine of €375,000."*

- provide additions or illustrations to the Code where warranted by the Business segment's specific features following a risk analysis. Any additions must be approved by the Group Ethics Officer.

Each Business segment has an Ethics Committee reporting to the Board of Directors. It meets regularly to review ethics issues and to assess the Corruption prevention and detection arrangements in place. It also contributes to defining the rules of conduct and action plans that will guide the conduct of senior executives and employees.

IV. COMBATING CORRUPTION ON A DAY-TO-DAY BASIS

1. Prevention

Information

To ensure that all senior executives and employees understand and embrace the Code of Conduct as best possible, it is available at all times on the Group Intranet and the Intranets of each Business segment, or by any other means determined by the Business segments.

Based on their arrangements, the Business segments regularly check that the content of the Code and the Group's commitment to the fight against corruption are known by everyone. They must provide their senior executives and employees with any information that may be useful to them in their activities, such as:

- memos about practices that require special attention with regard to the fight against corruption;
- alerts and legal or regulatory memos on anti-corruption legislation (recommendations by the authorities, case law, amendments to the laws), to be circulated promptly; and
- any information about the integrity of a stakeholder, in conjunction with the Business segment's legal department and, as the case may be, with specialized advisers and outside service providers.

Lastly, Business segments must use best efforts to ensure that their customers, key suppliers, sub-contractors, co-contractors, consultants, intermediaries and partners comply with the Code of Conduct or apply equivalent standards.

Training

The Business segments devise and implement a training programme adapted to their business activities and the geographies in which they operate. This programme should include:

- A **mandatory training** module for all employees, covering the Code of Conduct and rules on bribery and corruption.

- A **more specific in-person training** module for those senior executives and employees most exposed to corruption and influence peddling risks[1].

Contractual framework

The Business segments identify contracts that must include anti-corruption provisions.

(1) For example, employees liable to be posted to countries with a Transparency International Corruption Perceptions Index of 50 or less (see link in Appendix 2 for the latest index).

Such provisions should at the very least be included in the following documents:

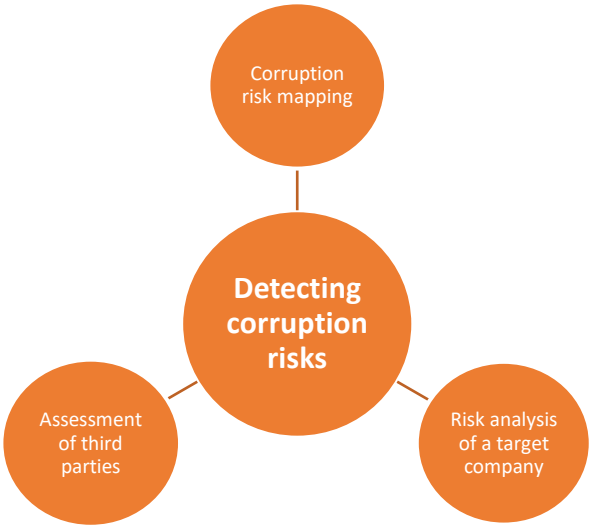
- contracts presenting a Corruption risk (e.g. partnership or joint venture agreements, sponsorship and patronage agreements, company acquisition agreements, contracts with intermediaries);

- individual employment or engagement contracts for employees exposed to a Corruption risk in the course of their work (e.g. an employee with responsibility for a subsidiary, Entity or project, a sales or purchasing department); and

- delegations of authority conferred on the senior executive responsible for an Entity, department or project or who is authorized to make financial commitments or exercises a function in a sales or purchasing department.

2. Detection

The Group has implemented several tools to ensure that the Corruption risks specific to its business activities are detected early on. In this respect, compliance checks must be performed before starting any major project or new business activity or opening a new business operation.



Corruption risk mapping

The Business segments draw up a risk map to identify, analyse and rank the risks of their Entities' exposure to external solicitations of Corruption. The risk map should take into account the business sectors and geographies in which the Entities operate. The need to update the risk map should be assessed annually.

Assessment of third parties

The Business segments implement procedures to assess the position of their customers, key suppliers, intermediaries and, more generally, their partners based on the Corruption risk map. These assessments must be effective, detailed, documented and updated based on the third party's risk level and developments in the relationship.

Risk analysis of a target company

The Group requires a stringent analysis of Corruption risk to be carried out before any merger or acquisition involving a target company.

Assessment of third parties: factors to be taken into consideration

A risk analysis of a partner may involve the following steps depending on the relevant Business segment or Entity's risk map:

- understand its background and environment;
- obtain information about its shareholder structure, key executives and beneficial owners[1];
- seek to establish whether it has any relationships with public officials;
- identify any convictions for breach of probity or any legal proceedings pending against it;
- determine the main elements of its anti-corruption arrangements; and
- document all stages of the analysis.

In the event of an audit, all of this information will be required by the authorities.

3. Documenting decisions

The legal departments of each Business segment should implement an adequate retention policy for all documentation arising from application of the Code of Conduct, including the Corruption risk map, third party assessments and risk analyses performed.

This document retention policy must enable a Business segment or Entity to demonstrate that its business dealings comply with the applicable regulations.

Documents should be retained for a sufficient period of time, which must be at least five years.

(1) The beneficial owner is the individual or individuals that directly or indirectly own more than 25% of a company's shares, or exercise control over the administrative or management bodies of a collective investment scheme or, as the case may be, the investment management firm representing it. See Article R.561-2 of the French Monetary and Financial Code.

4. Control and assessment

The rules and principles set out in the Code of Conduct are only effective if they are regularly controlled, assessed and improved.

All Senior executives and Managers with operational responsibility for a Group Entity must ensure that all business dealings are conducted duly and properly, that appropriate controls are in place and that the assessment resources made available by the Group or Business segment are used.

Business segments should implement several levels of control and assessment of the Code of Conduct's proper application:

- **Level 1:** all employees are responsible for making sure that the business activity complies with the applicable legislation.
- **Level 2:** internal control within the Business segment ensures that self-assessments are properly performed. An internal control report is sent to the Ethics Officer and Compliance Officer. The Compliance Officer uses the internal control report to report on the implementation of the Code of Conduct, improvements made or to be made, difficulties encountered and action plans to be implemented.
- **Level 3:** regular audits are performed by the Business segments and Bouygues SA's internal audit departments to ensure that the Group's operations are conducted in compliance with the principles of the Code of Conduct and the Group and Business Segment's internal control framework. The audit reports are sent to the Ethics Officer and the Compliance Officer of the Business segment and the Group, and to the Ethics Committee. If necessary, the Code of Conduct will be reinforced on the basis of the audit findings.

Compliance as a criterion in the annual appraisals of Senior executives and Managers

Implementation of the Code of Conduct and care taken with regard to anti-corruption practices will be taken into consideration in the annual appraisals of the Group's Senior executives and Managers.

Any shortcomings or failings during the year in the prevention and detection of Corruption within their subsidiary will therefore be taken into account and will be liable to affect their annual appraisal.

5. Accounting

The Group ensures that its funds and other assets are used for good faith commercial purposes, in particular by recording its business operations and transactions accurately and fairly in each Entity's accounts, in accordance with the applicable regulations and internal procedures.

All senior executives or employees who make accounting entries must be rigorous and properly document each entry. Furthermore, all transfers of funds require specific care, in particular regarding the identity of the beneficiary and the reason for the transfer.

Lastly, the accounting and finance departments must be closely involved in these matters.

6. Raising the alarm

The Group's Code of Ethics encourages freedom of expression. Employees and senior executives may report a concern or question about a practice that contravenes the Code of Conduct to their line Manager, legal department, or Compliance or Ethics Officer.

The Group has set up an internal whistleblowing facility for employees (including external and occasional staff), senior executives and stakeholders to report their concerns about (i) a crime or offence, (ii) a threat or harm to the public interest, (iii) a violation or attempt to conceal a violation of an international undertaking ratified or approved by France or a unilateral action taken by an international organization on the basis of such an undertaking, European Union law or the laws and regulations, or (iv) a violation of the Code of Conduct. Any concerns or questions raised under this internal whistleblowing facility should be reported to the Ethics Officer of the relevant Business segment. If the whistleblower believes that the situation goes beyond the scope of the Business segment, he or she may report it directly to the Group Ethics Officer. Likewise, the Business segment Ethics Officer may pass on an alert to the Group Ethics Officer if he or she believes that the situation goes beyond the scope of the Business segment.

The procedure for reporting, receiving and dealing with alerts is described in the appendix to the Code of Ethics entitled “Whistleblowing facility - procedure and rules pertaining to the receipt and processing of whistleblowing alerts”.

Do not turn a blind eye

No one should turn a blind eye to any form of corrupt practice.

As far as the judicial authorities are concerned, you could be considered as an accomplice if you fail to prevent unlawful behaviour which you know about and have the means to prevent.

If you witness an act of Corruption, it is your duty to report it promptly. The relevant Entity or Business segment will then decide whether or not to report it to the authorities, in conjunction with the Ethics Officer and legal department.

7. Sanctions

Acts of Corruption or failure to prevent them are liable to punishment by the administrative and judicial authorities as described in Appendix 1 to this Code of Conduct. Senior executives or employees will remain personally liable for any fines imposed on them by a court.

Based on its zero tolerance policy as regards Corruption, the Group will take any measures it deems necessary if it discovers a breach of the compliance rules.

In any event, sanctions and remediation measures will be taken, which include:

- removal of a senior executive from office or disciplinary action against an employee (which may go as far as dismissal) in the event of a breach of the Code of Conduct or an act exposing his or her Entity, Business segment or Bouygues SA to the consequences of an act of Corruption;
- legal proceedings accompanied by civil action where corrupt practices are discovered; and
- termination of contractual relations with any sub-contractor, co-contractor or partner that engages in an act of Corruption.

V. TAKING ACTION AGAINST RISKY PRACTICES

Being offered a trip by a supplier, sponsoring a football team, funding a charitable cause, becoming a shareholder in a client company, paying a commission to an agent to expedite customs clearance of a goods delivery, or making contact with a legislator in charge of a "sensitive" law for the Group are all situations that may confront senior executives and employees of the Group and may presents corruption risks.

It is vital for everyone to be able to identify these risky practices and know how to react to them so as to avoid any liability either to themselves or the Group.

1. Gifts and hospitality

Although giving and receiving gifts and hospitality is an integral part of business life, it can affect the impartiality of the person giving or receiving them. In early 2020, the Group issued a "Gifts and hospitality" policy setting out the circumstances in which employees may give or accept gifts and hospitality.

The policy prohibits senior executives and employees from giving or receiving gifts or hospitality that do not comply with the policy in nature (capital goods, cash, debt forgiveness, etc.), value (exceeding the thresholds set by internal rules) or timing (during tender invitations or decision-making).

Depending on the amount, therefore, gifts or hospitality should either be reported to or authorized by your line Manager, where necessary after obtaining advice from the Compliance Officer or legal department. Any such gifts or hospitality must be traced and, where applicable, recorded clearly in the company's accounts.

Gifts and hospitality: good practices

In any circumstance where you may wish to give or receive a gift or hospitality, you should refer to the Group's "Gifts and Hospitality" policy and, where applicable, that of the relevant Business segment.

Ask yourself the following questions:

- Am I comfortable with this gift or hospitality?
- Would I be comfortable if the gift or hospitality were to be known about?
- What is the context? Is the gift or hospitality a business courtesy or an incentive?
- Is the gift or hospitality reasonable with regard to usual business practices?
- Will I remain independent if I give or receive this gift or hospitality?
- Could the image of my Entity, Business segment or the Group be negatively affected by it?

In case of doubt, you should contact your legal department or Compliance Officer.

2. Facilitation payments

Facilitation payments are undue payments made to (or solicited by) public officials to facilitate a transaction or expedite a routine administrative procedure (customs clearance of goods, obtaining a visa, permit, etc.) that may be legitimately requested.

The Group's position is to prohibit senior executives and employees from making any facilitation payments except where payment is demanded by force or under threat to the employee's life, physical well-being or safety.

3. Patronage and sponsorship[1]

The Group values patronage actions, which further its objective of contributing to public life, as stated in the Code of Ethics. It also encourages contributions to sports, cultural, artistic and scientific events that are in keeping with the values it promotes.

However, patronage actions like sponsorship can present Corruption risks inasmuch as they can be used as a means to conceal and/or indirectly commit an unlawful act.

Patronage means donating money, goods or services to public interest causes.

Sponsorship is contributing to funding an organization or event such as a seminar, a conference or sports event, in order to obtain a potential commercial benefit from its visible participation in or association with the event. It therefore aims to promote the commercial image of a product or brand through advertising messages among other things.

Sponsorship actions must have a lawful purpose and must never be a means to conceal and/or indirectly commit an unlawful act (unlawful payment, corruption, influence peddling, etc.), and/or participate in activities prohibited by the Group (for example, funding of political parties).

Participation in any patronage or sponsorship action is therefore prohibited when:

- it is intended to obtain or retain a contract, decision or authorization;
- it is an incentive to carry out a project or takes place at a strategic time that could affect the interests of the relevant Business segment or Entity (tender invitation in progress, application for an authorization pending, etc.);
- the beneficiary and/or its senior executives have a criminal record or their management has been found wanting by their control organizations (in France, the Audit Court – *Cour des Comptes*);

(1) This section does not cover advertising sponsorship which is governed by Decree no. 92-280 of 27 March 1992 on the obligations of advertising, sponsorship and teleshopping service providers.

- the beneficiary is evidently seeking a personal gain or adopts behaviour or management practices suggesting that its members might or could embezzle funds;
- the employee behind the sponsorship action obtains a direct personal benefit from it; or
- the sponsorship action does not contribute in any way to the relevant Business segment or Entity's marketing or communications policy.

For patronage actions, the Business segments should set the framework for their patronage policy in conjunction with their Ethics Committee. Where a patronage action does not meet the conditions set out in the policy, the Business segment's Ethics Committee must be consulted to approve the action, the beneficiary and the form of the contribution.

Lastly, for each patronage or sponsorship action, the Group requires:

- a probity risk analysis to be performed on the beneficiary;
- the contribution to be set out in a formal written contract;
- the senior executive or employee behind the action to certify the relationship (or lack of relationship) with the beneficiary of the action; and
- the contribution to be monitored to ensure that it is used for the purpose set out in the contract.

Patronage or sponsorship actions: sensitive issues

A Business segment is responding to a tender invitation made by a municipal authority. The mayor of the town invites the Business segment employee in charge of the tender invitation to sponsor the town's sports competition during the same period.

What to do:

You should always be very careful about the context of the patronage or sponsorship action. This type of action is strictly prohibited while the Business segment is in negotiations with the municipal authority.

In case of doubt, you should contact your Business segment's Compliance Officer or legal department.

4. Conflicts of interest

There is a conflict of interests when the personal interests of a senior executive or an employee conflict or compete with the interests of the relevant Group entity.

The Code of Ethics prohibits senior executives and employees from directly engaging in an activity that would create a conflict of interest with their Entity or Business segment. Should a senior executive or employee find themselves in a potential or actual conflict of interest situation, they should refer to their line Manager without omitting any facts.

The Group has adopted a Conflicts of Interest Compliance programme.

Reporting a conflict of interest

Your sister-in-law is the CEO of a company that wants to become a new supplier to your Business segment. Your job allows you to influence the supplier selection process.

What to do:

You should report this conflict promptly to your line Manager, who will consult the Compliance Officer or legal department on the appropriate measures to take (for example, not taking part in the selection process, taking appropriate measures to keep the relevant documents confidential, etc.).

5. Use of intermediaries

Definition of intermediary

An intermediary is any entity or person, no matter what their status or business sector, that acts as a middleman between a third party in the public or private sector and the Group or one of its Business segments or Entities to assist in obtaining a contract, commitment, decision or authorization of any kind.

A person that merely provides technical consulting services or intellectual services, without acting as a middleman, is not an intermediary as defined in the previous paragraph. It is up to the relevant Senior executive or employee to assess whether or not the person or entity they intend to appoint is an intermediary. In case of doubt about the proposed service, you should consult your legal department or Compliance Officer.

Group's position

The use of intermediaries is strictly prohibited by the Group where the purpose is to carry out activities which the Group, its Business segments or Entities are not allowed to do themselves or if there is still a serious doubt about the intermediary's integrity even after taking all due precautions.

In some situations, for example when an Entity wishes to enter a new market or needs the assistance or support of a qualified professional to conduct negotiations or other commercial actions, use of an intermediary may be envisaged.

However, this practice may involve risks as the entity seeking the intermediary's assistance or support may be subject to heavy penalties should the intermediary engage in any corrupt practices. The use of intermediaries should therefore be considered carefully.

Furthermore, greater care should be taken when selecting an intermediary and in all subsequently dealings with that intermediary when:

- the intermediary negotiates with public officials;
- the intermediary is proposed or imposed by a third party (public official, customer, etc.); or
- a local law requires the use of an intermediary for the transaction envisaged.

In principle, an individual may not be used to act as intermediary. However, there may be exceptions to this principle if prior authorization is obtained from the relevant legal department or Compliance Officer. Exceptions must be justified and set out formally in a procedure to be submitted for approval to the Business segment Ethics Officer and the Group Ethics Officer.

Business segments may prohibit or restrict the use of certain types of intermediary based on their own risk map.

Prior approval

Employees wishing to use an intermediary must first consult with the relevant legal department or Compliance Officer and carry out the following checks:

- Is the intermediary a legal entity?
- Does it have legal existence and a real place of business?
- Does it file accounts?
- Who are its beneficial owners?
- Does it have sufficient experience and reputation in its field and adequate resources for the purpose (are its business activities real, is providing the relevant service its usual business activity, are its customers serious, does it have genuine knowledge of the relevant sector or country, etc.)?

Red flags

When you perform a risk analysis, you should pay special attention to the following:

- any potential conflicts of interest;
- personal and/or professional relationships between the intermediary and public officials;
- difficulty in obtaining the information required to carry out a risk analysis;
- any suspicious or unexplained demands by the intermediary (anonymity, exclusive relationship with the customer, etc.);
- any convictions for breach of probity by the intermediary, one of its senior executives or one of its shareholders;
- the payment terms proposed by the intermediary (cash, payment to a bank account in a tax haven, or to an account other than that of the intermediary, etc.) or the amount of the fee charged; and
- the intermediary's refusal to undertake to comply with anti-corruption regulations.

The decision to use an intermediary is based on the number and importance of any red flags identified, in conjunction with the relevant legal department, Compliance Officer or Ethics Officer.

Contractual relationship

Any business relationship with an intermediary must be governed by a contract drawn up with the help of the legal department or Compliance Officer. The contract is signed by a corporate officer of the relevant Business segment or Entity.

It must set out the contractual framework for the services to be provided by the intermediary and must include an anti-corruption clause.

Exceptions to these principles may be requested by the Business segments depending on their business activities. Exceptions must be justified and set out formally in a procedure to be submitted for approval to the Business segment Ethics Officer and the Group Ethics Officer.

An up-to-date list of intermediary contracts (and any amendments) should be prepared and sent regularly to the relevant Business segment's Ethics Officer.

Intermediary's fee

An intermediary's fee must be agreed contractually and must always reflect a fair payment for genuine, justifiable services. Accordingly, the fee must:

- be proportionate to the length and complexity of the service provided;
- include a fixed component and if a success fee is included, the amount of the success fee may not exceed the amount of the fixed component. The structure and terms of any success fee must first be approved by the Ethics Officer of the relevant Business segment;
- be paid on a percentage of completion basis and be conditional upon the intermediary's presentation of invoices documenting the services rendered (research, contract performance documents, reports, minutes of meetings, etc.); and
- be paid to a bank account in the country where the relevant project is located. If the intermediary is not based in that country, the fee may be paid in the country where the intermediary has its principal place of business.

Exceptions to these principles may be requested by the Business segments depending on their business activities. Exceptions must be justified and set out formally in a procedure to be submitted for approval to the Business segment Ethics Officer and the Group Ethics Officer.

6. Political funding

In France, it is strictly prohibited for legal entities to fund political parties or the career of a politician or candidate running for office. The same is true in many other countries.

The Group's general policy is not to contribute to funding political parties or politicians whether directly or indirectly through NGOs, think tanks, foundations, etc.

7. Interest representation and lobbying

The Group engages in interest representation or lobbying[1] to make its activities better known and understood. Senior executives of the Group and the Business segments are responsible for defining and determining lobbying objectives and policies. These policies must comply with the applicable regulations and must be in line with the Group's values.

Senior executives or employees involved in lobbying activities

Senior executives or employees involved in lobbying activities are expected to behave with probity and integrity in compliance with the applicable regulations, the Group's Code of Ethics and this Code of Conduct.

In France, the Business segments are responsible for registering, updating and reporting information on companies, Senior executives and employees in their scope who engage in lobbying activities in France to the French High Authority for Transparency in Public Life (HATVP).

Senior executives or employees involved in lobbying must:

- refrain from corrupt, unfair or anti-competitive practices, and in particular from offering a prohibited advantage with a view to influencing the decision of a public decision-maker;
- comply with their duty of transparency and reporting with regard to the HATVP;
- ensure that their Entity complies with the registration arrangements for the relevant registers and the specific rules governing the lobbying activity envisaged;
- refrain from inciting anyone to violate the ethical rules applicable to them;
- undertake not to attempt to obtain information or decisions through fraudulent means;
- refrain from using information obtained in the course of their activities for commercial or publicity purposes;
- refrain from selling copies of documents emanating from a government, administrative or independent public authority to third parties;
- ensure that trade organizations and think tanks of which Group representatives may be members comply with anti-corruption regulations.

Recourse to a third party for lobbying purposes

The provisions of this Code of Conduct regarding risk analysis, fees and contractual relationships applicable to intermediaries also apply to interest representatives.

A third-party interest representative must undertake to comply with the anti-corruption regulations.

(1) Lobbying means contributing to public debate about the drafting or implementation of a law, regulation or public policy by giving an opinion or providing technical expertise.

The hiring of or recourse to the services of former political or elected figures (Ministers, heads of local authorities, etc.) or civil servants of national or international institutions must comply with the rules governing their status (e.g. time lapse after standing down, etc.). In any event, their services may not be used for lobbying purposes in areas covered by their previous functions until the legal time has elapsed after they stand down.

Use of a lobbying firm: red flags

You wish to appoint a lobbyist. You should not do so if the lobbyist:

- cannot demonstrate the experience and resources required for the purpose;
- refuses to accept the mandatory clauses in the written contract;
- refuses to be registered on the relevant registers (for example, the HATVP's directory of interest representatives in France, the European transparency register);
- has a record of convictions for corrupt practices or similar offences.

APPENDIX 1
PROVISIONS OF THE SAPIN 2 LAW: ESCALATION OF THE FIGHT AGAINST CORRUPTION

France's Sapin 2 law introduced several ambitious measures designed to detect and prevent corporate Corruption. The new law has brought French anti-corruption legislation into line with that of many other countries.

Implementing a compliance programme

The law requires companies above a certain size to implement a compliance programme based on eight key pillars:

- adopting a code of conduct;
- an internal whistleblowing facility enabling employees to report situations in breach of the company's code of conduct;
- risk mapping;
- procedures to assess the situation of customers, key suppliers and intermediaries based on the risk map;
- internal or external accounting control procedures;
- training for managers and staff most exposed to Corruption and Influence peddling risks;
- disciplinary arrangements to sanction employees who breach the company's code of conduct;
- internal control and assessment arrangements for measures implemented.

Creation of the French Anti-Corruption Agency (AFA)

The AFA's role is to assist the competent authorities in preventing and detecting corrupt practices and similar offences. It plays a supervisory role and has its own power of sanction.

It is responsible for supervising compliance with measures and procedures to prevent and detect corruption that large companies are required to implement. Its personnel may perform on-site audits at a company's premises. Following these audits, the AFA may caution a company and, as appropriate, refer the matter to its sanctions board. The sanctions board may order the company to adapt its internal procedures and impose a fine on the company and those Senior executives considered to have breached the rules.

The AFA will also report any matters that come to its attention, which might constitute a crime or offence, to the national public prosecutor or the national public prosecutor for financial crime.

Deferred prosecution agreement

Along similar lines to the deferred prosecution agreements (DPA) that exist in the United States and the United Kingdom, the Sapin 2 law introduced the possibility for an organization accused of Corruption to reach an agreement with the national public prosecutor.

This innovative procedure allows the organization to reach a settlement with the prosecutor rather than become involved in a lengthy trial, the outcome of which may be uncertain. The company will be required to pay a public interest fine to the Treasury department, capped at 30% of its average annual sales of the last three years. It may also be required to submit to a compliance programme for up to three years under the AFA's supervision.

Extending the jurisdiction of the French courts

The Sapin 2 law reaffirms and extends the extra-territorial jurisdiction of the French courts. Their authority now extends to offences committed by a legal entity or a person that habitually resides in or conducts at least part of its business activities in France, regardless of nationality.

The new law has also lifted a number of obstacles that previously impeded the action of the French courts, which now have jurisdiction:

- even where the alleged behaviour is not punishable under the legislation of the country where the wrongdoing was committed;
- even where the victim has not taken action in that country; and
- without the need for the public prosecutor to have previously initiated proceedings.

The French criminal courts, like their UK and US counterparts, now have broader jurisdiction in corruption matters.

Heavier penalties on individuals

Since the Sapin 2 law came into effect, the government's policy has leaned increasingly towards more severe and systematic punishment of individuals who engage in corrupt practices. This means that notwithstanding any deferred prosecution agreement entered into by the company, legal action may still be taken against its Senior executives and employees who have committed a breach of probity. The courts make this objective a principle of action.

Protection of whistleblowers

The Sapin 2 law protects whistleblowers and relieves them of any criminal liability if they are forced to disclose secret information protected by law.

It also gives a whistleblower the right to refer directly to the legal or administrative authority in the event of serious or imminent danger or the risk of irreversible damage.

It also requires all companies with at least 50 employees to implement an appropriate whistleblowing facility for members of staff and external or occasional workers.

APPENDIX 2
USEFUL LINKS AND REFERENCES

France: French Anti-Corruption Agency (AFA)
AFA recommendations https://www.agence-francaise-anticorruption.gouv.fr/files/files/Recommandations%20AFA.pdf
Code of Conduct https://www.agence-francaise-anticorruption.gouv.fr/files/2018-09%20-%20Code%20de%20conduite%20-%20D2AE.pdf
Facilitation payments https://www.agence-francaise-anticorruption.gouv.fr/files/2019-07/2018-09_-_Paiement_de_facilitation_-_D2AE_-.pdf
Conflicts of interest https://www.agence-francaise-anticorruption.gouv.fr/files/files/AFA_Guide_conflits_dinterets.pdf
Corruption risk mapping https://www.agence-francaise-anticorruption.gouv.fr/fr/document/cartographie-des-risques-corruption
Assessing the integrity of third parties https://www.agence-francaise-anticorruption.gouv.fr/files/2019-07/2018-09%20-%20Evaluation%20des%20tiers%20-%20D2AE.pdf
Internal anti-corruption whistleblowing facility https://www.agence-francaise-anticorruption.gouv.fr/files/2019-07/2018-09%20-%20Dispositif%20d%27alerte%20interne%20-%20D2AE.pdf
Practical guide on corporate anti-corruption compliance https://www.agence-francaise-anticorruption.gouv.fr/fr/guide-pratique-fonction-conformite-anticorruption-dans-lentreprise
Practical guide on anti-corruption due diligence in mergers and acquisitions https://www.agence-francaise-anticorruption.gouv.fr/files/files/Guide%20pratique%20fusacq%202021-02%20DEF-2-19.pdf
Practical guide on the gifts and hospitality policy in companies, industrial and commercial public undertakings, NGOs and foundations https://www.agence-francaise-anticorruption.gouv.fr/files/files/Guide%20pratique%20politique%20cadeaux%20et%20invitations.pdf
United States
FCPA A Resource Guide to the US Foreign Corruption Practices Act https://www.justice.gov/sites/default/files/criminal-fraud/legacy/2015/01/16/guide.pdf
FCPA Guidance (June 2020) https://www.justice.gov/criminal-fraud/page/file/937501/download

United Kingdom
The Bribery Act 2010: Guidance about procedures which relevant commercial organisations can put into place to prevent persons associated with them from bribing https://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf
Transparency International
The Corruption Perceptions Index (CPI) http://www.transparency.org/cpi

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IMPORTANT NOTICE

This document gives an overview of the rules in effect at 30 January 2022. It will be revised as necessary and the amendments will be posted only on the Intranet and on bouygues.com.

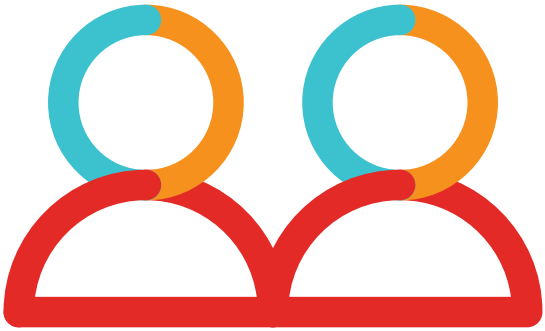
2014 • Revision: January 2022

The Bouygues group Code of Ethics, Anti-Corruption Code of Conduct and Compliance Programmes (Competition, Financial Information and Securities Trading, Conflicts of Interest Embargoes and Export Restrictions) are accessible on the Group's Intranet (ByLink).

BOUYGUES

COMPETITION

COMPLIANCE PROGRAMME



BOUYGUES

CONTENTS

EDITORIAL

In addition to our Code of Ethics, I wished to implement a Competition Compliance Programme that will serve as a concrete, operational code of conduct.

Given the growing complexity of competition rules in France and elsewhere, as well as the severe sanctions imposed by the regulators and courts, it is in everyone's interests to have a programme that clearly sets out the rules. It is also an approach recommended by the competition authorities, in particular the French Competition Authority and the European Commission, which encourage companies to draw up their own compliance programmes.

Quite obviously, our Group does not tolerate anti-competitive practices of any kind. The Group's future depends on the continuing trust of its customers, employees, shareholders, and private or public partners: its growth and development will only be assured if a responsible, transparent and honest attitude towards them is taken.

Refusal of all forms of anti-competitive practices must be a fundamental obligation for all of us. I particularly draw the attention of senior executives of Group companies and operating entities of the Group to their responsibilities in this respect. I urge them to read this Compliance Programme carefully, to circulate it broadly among employees and make sure that its rules on the prohibition, prevention and control of anti-competitive practices are implemented effectively both in France and abroad.

Everyone must understand that the Group does not tolerate any violation of the rules prohibiting anti-competitive practices. Anyone who may be exposed to a situation likely to harbour a risk of anti-competitive practices must receive training and must not be left to handle the problem alone should it arise. Employees must be aware that they can always rely on their line management of their relevant company to assume its responsibilities, to help them deal with the problem with assistance from the ethics officers, and to support them when they take the right decisions.

Martin Bouygues
Chairman and CEO

CHAPTER I
COMPETITION COMPLIANCE PROGRAMME

1 PURPOSE OF COMPLIANCE PROGRAMME

1.1 This compliance programme (the "Compliance Programme") supplements Article 15 of the Group[1] Code of Ethics, which prohibits senior executives and employees from engaging in anti-competitive practices.

It describes the prohibited anti-competitive practices and the resulting obligations and responsibilities.

Chapter I sets out the information, prevention, control and sanction measures that must be implemented by each entity of the Group at the initiative of the Business segment's[2] Chief Executive Officer.

Chapter II gives an overview of competition law to all employees, which, although brief, aims to be as instructive as possible. It also includes practical recommendations.

1.2 The competition authorities encourage companies to implement a Compliance Programme. During an investigation, they will check if one exists and, more importantly, if it is implemented effectively.

2 ZERO TOLERANCE OF ANTI-COMPETITIVE PRACTICES

One of the Group's fundamental values is to conduct its business lawfully and fairly, in compliance with the principle of economic competition (Article 15 of the Group Code of Ethics).

Consequently, senior executives and employees are strictly prohibited from engaging in anti-competitive practices of any kind, in particular collusive practices and abuse of a dominant position, but also any other practices that infringe competition law.

(1) In this Compliance Programme, the term "Group" or "Bouygues group" refers to Bouygues SA and all the companies and entities governed by French or foreign law directly or indirectly "controlled" by Bouygues SA. The concept of "control" is that defined in the provisions of Articles L. 233-3 and L. 233-16 of the French Commercial Code (Code de Commerce) and accordingly covers both de jure and de facto control. The principles set out in this Programme apply automatically to all companies or entities that are "jointly controlled".
(2) In this Compliance Programme, the term "Business segment" refers to each of the main activities of the Group, which are, as of the date hereof, "Construction" (Bouygues Construction), "Property" (Bouygues Immobilier), "Roads" (Colas), "Media" (TF1) and "Telecoms" (Bouygues Telecom).

3 DUTIES OF UNDERSTANDING AND CARE

3.1 Duty of understanding

French and European competition law is complex and stringent. It gives the competition authorities the power to impose very severe sanctions, which they frequently do.

SANCTIONS IMPOSED ON LEGAL ENTITIES

Everyone must be aware of the severity of the sanctions that can be imposed on a company, including **administrative sanctions** (fines that can be extremely high[1]), **criminal sanctions** (fines and judicial supervision) and civil sanctions (compensation to the victim of the anti-competitive practice, risk of class action in common law countries and now in France as well, and nullity of contracts and commitments). In addition, there may also be **"ancillary sanctions"** (closure of operations, ban from public procurement contracts, and ban on conducting a business activity).

The parent company of the relevant entity can also be held liable for the infringement.

More generally, an infringement of competition law would have extremely serious repercussions not only on the relevant Group entity but also on the Group's results and reputation, which would affect its growth and development. Fines in excess of €100 million are frequently imposed.

SANCTIONS IMPOSED ON INDIVIDUALS

Everyone must be aware that **individuals** who infringe competition law may be subject to heavy **criminal sanctions** (in France, knowingly taking part in anti-competitive practices is punishable by four years' imprisonment and a fine of €75,000) and **civil sanctions** (compensation to the victim).

Everyone must be aware that competition law in all the major industrialised countries as well as many other countries is very similar to French and European competition law.

3.2 Duty of care

All senior executives and employees must feel personally responsible for observing the ban on anti-competitive practices.

All senior executives and employees must therefore take due and proper care in the course of their business activities. They must be aware that any commercial action must be taken in compliance with the applicable competition law and this Compliance Programme. Competition law is technical and changes regularly. Senior executives and employees must therefore always refer to their Legal departments to ensure that any action they envisage taking in their business does not involve a risk of breach or infringement of the competition regulations and does not contravene the principles set out in this Compliance Programme.

(1) The French Competition Authority or the European Commission may impose a fine of up to 10% of consolidated sales per infringement, which in the Group's case would mean a theoretical maximum amount of €3.17 billion for an offence committed by any Group entity, as the Group's consolidated sales amounted to €31.758 billion in 2016.

All senior executives and employees should also take due and proper care in their relations with customers, suppliers, sub-contractors, co-contractors or partners. If one of the latter infringes the competition laws, the authorities could conclude that the senior executive or employee, or indeed the Group entity, was complicit or took part in the offence.

Senior executives and employees owe a heightened duty of care where their company:

- operates in an oligopolistic market (a market with a restricted number of companies capable of providing a good or service);
- enters into temporary or partial cooperation agreements with rival companies, particularly in order to secure a contract;
- submits tenders in competition with another Group company in order to secure a contract;
- appoints representatives to a professional organisation.

4 RESPONSIBILITY OF SENIOR EXECUTIVES – STATEMENT OF POSITION OF SENIOR EXECUTIVES

4.1 One of the fundamental management responsibilities in each Group entity is to comply with competition law and implement information, prevention, control and sanction measures for anti-competitive practices.

This Compliance Programme provides the set of common rules that must be followed, promoted and implemented by all senior executives.

4.2 Senior executives and the management bodies must make a clearly stated commitment to observe and implement the Compliance Programme. As such, all executive officers and the governing or management bodies of Group companies (for example, Boards of Directors, Executive Committees, Management Committees, etc.) must make a written commitment to comply with competition law and to implement the Compliance Programme in a form best suited to the Business segment or its organisational structure. The commitment must be firm, unambiguous and known to everyone.

It should be renewed every two years to demonstrate the importance of the Compliance Programme and maintain the due care and attention that should be paid to it by everyone at all times.

5 APPOINTMENT OF A COMPLIANCE OFFICER

5.1 The Ethics Officer of each Business segment of the Group is appointed as Compliance Officer entrusted with the implementation of the Compliance Programme.

The Compliance Officer **may not change** the basic content of the Programme but may, after assessment of the risks, supplement, illustrate or add to it, where warranted, to take account of the specific nature of the Business segment and to make the Programme more effective. Any such additions should only be made at Business segment level, not at the level of one of its subsidiaries. They will become an integral part of the Compliance Programme and must therefore first be approved by the Group Compliance Officer.

5.2 In all significant entities of the Business segment, the Legal department director (and/or any duly appointed person in the Legal department) is the contact point for the Compliance Officer.

5.3 Senior executives and management bodies must give the Compliance Officers and the Legal department directors the authority, powers and means to implement the Programme effectively.

Compliance Officers and Legal department directors may refer to management bodies either to raise a concern or to ask for measures to be taken to ensure the Compliance Programme's effectiveness.

6 INFORMATION AND TRAINING

6.1 Information

The existence of the Compliance Programme must be made known internally throughout the Business segment and externally to the Business segment's customers, suppliers, sub-contractors, co-contractors or partners, by means to be defined by each Business segment. As described below, the Compliance Programme must be available to all employees electronically.

Compliance Officers shall:

- circulate to senior executives and employees memos about specific issues in their Business segment that require special attention with regard to competition law;
- promptly circulate warning memos or information memos to keep senior executives and employees of the Business segment up to date with any developments (for example, decisions or opinions issued by the competition authorities relevant to the Business segment and to the Compliance Programme);
- make sure that the Business segment's Legal department always provides the information and advice that might be needed by senior executives or employees.

All senior executives and heads of operational units, sales or purchasing departments must regularly remind their employees of the existence of the Compliance Programme and its requirements.

At least once a year, the Group and Business segment Compliance Officers will meet to share best practices developed for the Programme's implementation.

6.2 Training

Senior executives and employees involved in any way in competition in the markets where their company operates, must be aware of and understand the broad outlines of competition law and the risks involved in its breach.

Within one year of being hired or appointed, employees who are given responsibility for any of the following are required to attend a competition compliance training course run by or validated by the Compliance Officer of the relevant Business segment:

- a subsidiary or equivalent entity (division, branch, project, etc.);
- a sales function (involving contact with customers, suppliers, sub-contractors, co-contractors or partners);
- a purchasing department;
- representing a Group company or Business segment within a professional organisation.

The Compliance Officer will determine the most appropriate training method and make sure that these employees are given regular refresher courses to keep their knowledge and assessment of the risks up to date.

More generally, and to help all employees understand what anti-competitive practices are, as well as the prevention measures and applicable penalties, all Group entities are required to include a competition compliance component in their training modules tailored to the various employee categories. These training modules are validated by the Compliance Officer of the relevant Business segment.

All Business segments must, in line with their training policy, introduce a simple, brief general training module, accessible at all times through e-learning on the intranet. This module must be practical, adapted to the specific needs of the Business segment and understandable by all employees. It must also provide links to this Compliance Programme and the information memos issued by the Compliance Officer referred to in section 6.1 above. Employees should be urged to consult this e-learning programme regularly.

7 PREVENTION

7.1 Role of senior executives

As far as the competition authorities are concerned, senior executives are responsible for implementing measures to prevent anti-competitive practices. Senior executives should be aware that if an anti-competitive practice is discovered in their company, the competition authorities will ask about the measures they have taken to prevent such practices and whether they have made a personal commitment to ensuring that they are observed.

All senior executives who have operational responsibility for a Group entity (subsidiary, branch, division, etc.) must implement appropriate measures to prevent anti-competitive practices.

They will be supported in this by the Compliance Officer and the Ethics, CSR and Patronage Committee of the Business segment.

7.2 Expertise of Legal departments

Each Business segment Legal department must have at least one in-house lawyer with experience and expertise in competition law. The Legal departments must also be able to call on outside lawyers specialising in competition law, a list of which is selected by the Business segment Compliance Officer.

Each Legal department is also responsible for providing training and taking preventive actions in the area of anti-competitive practices.

7.3 Risk mapping

As part of the annual risk mapping process required by the Group, each Business segment carries out an analysis of the competition risks inherent in its activities.

7.4 Delegation of authority to senior executives of subsidiaries or entities and to persons in commercial or representation positions

Delegations of authority must clearly set out the person's obligation to comply with competition law and refrain from engaging in anti-competitive practices.

Anyone appointed to represent a Group entity within a professional organisation must, in accordance with section 8.2 below, receive and acknowledge receipt of a letter setting out their obligation to observe the provisions of the Compliance Programme in the course of their representation function.

7.5 Employment contracts – internal regulations

To the extent that it is authorised by employment law, the Group subsidiaries are recommended to:

- include a clause in the employment contracts of employees responsible for a sales department, a subsidiary or equivalent entity (division, branch, etc.) or a purchasing department setting out their obligation to comply with competition law and refrain from engaging in anti-competitive practices; and/or
- include a provision prohibiting anti-competitive practices in the company's internal regulations.

7.6 Compliance audit prior to starting up a business

In accordance with the terms and conditions determined by each Business segment, with the support of the Compliance Officer, an audit of the Business segment's compliance with competition law and the Compliance Programme must be carried out before launching a business or new project. This must be done at inception of, or no later than formal agreement to, all major projects or significant operations (acquisition or sale of a company, cooperation or consortium agreements, etc.) and when launching a new business activity (diversification, starting up a new business activity in a new country, etc.).

7.7 Raising a concern with line management

Senior executives or employees who are in any doubt about a particular practice or who are aware of an anti-competitive practice must refer to their line manager or Legal department.

7.8 Whistleblowing

Senior executives and employees may also use the whistleblowing facility set out in the Group Code of Ethics.

The whistleblowing facility complies with Cnil (French data protection authority) instructions (or similar regulations in the relevant country) and with the provisions of the Group Code of Ethics. The facility covers anti-competitive practices. Incidents or suspicions should, in principle, be reported to the Business segment Ethics Officer, who is the designated recipient. If the whistleblower believes that the situation goes beyond the scope of the Business segment, he or she may exceptionally alert the Group Ethics Officer instead of the Business segment Ethics Officer.

The procedure for the raising, receipt and processing of whistleblowing alerts is set out in the Code of Ethics and in its appendix entitled "Whistleblowing facility: procedure and rules pertaining to the receipt and processing of whistleblowing alerts".

8 SPECIFIC PRECAUTIONS TO BE TAKEN IN CERTAIN SITUATIONS

8.1 Warranties to be obtained when acquiring shares in a company

During the due diligence process prior to acquiring a company, special attention must be paid to the target company's compliance with competition law. General or specific warranties should be obtained from the vendor, which can be called upon if needed (as the target company will continue to bear the risk of sanctions for anti-competitive practices prior to the acquisition), unless otherwise specifically agreed, justified and supervised by the Business segment's senior management, with the support of its Ethics Officer. Senior executives of the acquired company will make sure that the information obtained during the due diligence process is verified and that the measures set out in this Compliance Programme are implemented promptly.

8.2 Specific precautions in the event of joining and taking part in the activities of a professional organisation

Before joining a local, national or international professional organisation, the Group entity must first refer to Senior Management of the relevant Business segment and obtain prior agreement from an executive officer. The Business segment Ethics Officer keeps a list of the professional organisations to which its entity belongs.

Prior enquiries should be made with the assistance of an in-house lawyer

to check the professional organisation's bylaws, structure, practices and activities, in particular to determine whether they contain provisions that raise awareness about compliance with competition law.

A Group entity may not join or take even occasional part in a professional organisation that organises or encourages dialogue, information exchange or agreements on the following matters:

- price levels, price developments, methods of establishing prices, discount levels, margin levels, inventory levels;
- sharing out of production capacity;
- exclusive territorial arrangements;
- exchange of non-public information on individual commercial policies, particularly with regard to future commercial actions;
- if the market is an oligopoly (market dominated by a small number of large suppliers), any exchange of information that might create or encourage tacit coordination within the oligopoly.

Representatives appointed by the Group must give their line manager a written statement acknowledging that they are aware of their obligations as regards competition law and undertaking to comply with them in the course of their function, in particular by refusing to give information about their company's commercial strategy (price setting, territory, promotion policy, etc.).

They must ensure that they receive an agenda prior to each meeting and that accurate minutes of each meeting are circulated to all participants. If prohibited subjects are addressed, the representative must leave the meeting, require that the secretary of the meeting record his or her departure in the minutes and send a letter setting out the reasons for leaving the meeting.

8.3 Specific precautions in the event of temporary or partial cooperation with a competitor

This type of cooperation is routine in some Bouygues group Business segments. It is useful and sometimes essential for projects that require specific resources and expertise, or risk sharing. Such agreements are not anti-competitive per se but their object or effect must never be to distort the rules of free competition. In the interests of caution, anything that reduces the independence of the company and the autonomy of its business activities should be considered as a potential risk and must be carefully assessed.

Any form of grouping or cooperation structure between competitors – construction project company (*Sociétés en Participation* – SEP), joint venture, temporary grouping, economic interest grouping, consortium, central buying organisation – must comply with the following rules:

- the object or effect of the cooperation must not be the *de facto* elimination of any competition (restricting competition, concerted allocation of a contract or part of a contract) or bid rigging (for example, cover bidding);

- the cooperation must be limited in time;
- it must have a strictly defined purpose (for example, developing a project) and must not lead to the exchange of strategic information other than the strict minimum required to carry out the joint project;
- the cooperation must be justified by the increased efficiency it will generate, and therefore the ability for each member to build a better commercial offer and provide a better service or product to the client (the "legitimate reasons"): complementary technical or logistics capability, sharing the risk on a major project, improved financial capacity to obtain funding, legal requirement for a partnership with local partners.

A written contract must be signed before the joint activity begins (or before the bid is submitted in the case of a competitive bidding procedure). The recitals must clearly state the "legitimate reasons" that led the competing parties to enter into the agreement or set up a cooperation structure.

The partners must undertake contractually to comply with competition law and similar principles to those set out in this Compliance Programme. Failure to do so during performance of the contract may lead to its termination without notice.

During the summary or wrap-up meeting prior to deciding whether to negotiate or enter into the agreement, the relevant Legal department must present an analysis with regard to competition law.

In the case of competitive bidding procedures, anti-competitive practices include the coordination of bids between competitors or information exchanges before the date on which the results are or might be known (for example, exchanges about the existence of competitors, their organisation, their level of interest in the relevant contract, or prices).

Accordingly, no sensitive information should be exchanged until the cooperation structure (e.g. consortium) has been set up; if negotiations to enter into a cooperation agreement fail once sensitive information has already been exchanged and the companies involved then submit individual bids, this would distort the competition. As soon as the cooperation structure has been set up, which will necessarily result in the exchange of sensitive information, its members may no longer bid individually or take part in another consortium.

A company may not be a member of several consortia bidding for the same contract, as this practice involves too many risks with regard to competition law.

8.4 Specific precautions where Group companies are in competition with each other

Group companies may occasionally or habitually compete with each other.

The French Competition Authority has laid down clear principles, which all Group companies must be aware of and observe:

- *"Companies that have legal or financial ties but are commercially autonomous may submit distinct*

competing bids providing they do not consult beforehand";

- *"Companies that have legal or financial ties but are commercially autonomous may waive their commercial autonomy in order to decide which of them shall bid for a contract or to work together on the bid, providing only one bid is submitted";*
- *"Companies may not submit several bids, thereby manifesting their commercial autonomy, if they have been prepared on a concerted basis or after the exchange of information, as these bids would no longer be independent. Presenting them as such would mislead the client about the nature, scope, extent or intensity of the competition";*
- *"It is irrelevant whether or not the client knew about the legal ties between the companies, as such ties do not necessarily mean that the companies act in concert or exchange information".*

These principles appear in French Competition Authority decisions sanctioning companies of a same group that were found to have engaged in collusive bidding. They apply to any situation where Group companies are in competition with each other. A Group company with commercial autonomy must therefore always observe these principles when in competition with another Group company.

When the competing Group companies join forces to submit a joint bid, the provisions of section 8.3 above must be observed.

8.5 Specific precautions in the event of sub-contracting

COMPANIES USING SUB-CONTRACTORS

Although the sub-contracting relationship is not anti-competitive per se, it must not be disguised and should be disclosed to the client.

The exchange of information prior to entering into a sub-contracting relationship must be limited to the strict necessary and must comply with the competition rules. "The existence of a sub-contracting proposal does not mean that the principal has to disclose full information about its prices to the potential sub-contractor" (French Competition Authority).

The sub-contracting must be justified and not liable to weaken the competition.

SUB-CONTRACTORS

Companies seeking to secure sub-contracting agreements must not exchange information about their prices prior to entering into the contract. If they do, they may not submit individual bids.

Within the same competitive bidding procedure, it is not prohibited per se for a company to be a sub-contractor to several principals or to be both sub-contractor and member of a consortium; however, such situations carry major risks with regard to competition law and should be analysed with the assistance of the Legal departments and the Compliance Officer, and then authorised expressly by an executive officer of the relevant company.

9 CONTROL

9.1 Role of senior executives

All senior executives who have operational responsibility for a Group entity (subsidiary, branch, division, etc.) must ensure that their operations are compliant, implement appropriate controls, react to any whistleblowing alert and use the control methods at their disposal within the Group or Business segment. These methods are described below.

9.2 Group Internal Control Reference Manual

The fight against anti-competitive practices is treated as a specific topic in the Group Internal Control Reference Manual. A Business segment may add specific provisions to this Manual where necessary to ensure that the Compliance Programme is effective.

The Compliance Programme's effectiveness is monitored annually by means of a self-assessment of the internal control principles implemented in the Business segments and their subsidiaries.

Should the self-assessment reveal deficiencies in the implementation of the Compliance Programme, an action plan will be drawn up and implemented promptly.

9.3 Audits

During their regular or specific audit assignments, the internal audit departments, assisted by the Compliance Officers, make sure that the Group's operations comply with the principles of the Compliance Programme and the Group and Business segment Internal Control Reference Manual. Everyone is required to cooperate with the internal audit departments.

The conclusions of the internal audit report will be sent to the Business segment Ethics, CSR and Patronage Committee. They will be taken into account to strengthen where necessary the Compliance Programme, the internal control principles and any other procedures or mechanisms implemented to ensure that it is duly and properly followed.

9.4 Reporting

To enable the Group to comply with the CSR reporting requirements under French law, the Compliance Officer of each Business segment sends the Group Ethics Officer an annual report on the implementation of the Compliance Programme, the improvements made or to be made, the information memos circulated, the number of training courses given during the year in the Business segment, and the number of employees who attended the training. The reports are sent to the Ethics, CSR and Patronage Committee of the Business segment and the Ethics, CSR and Patronage Committee of Bouygues SA's Board of Directors. The report should also include information about the controls and audits carried out in accordance with sections 9.2 and 9.3 above. This information is also sent to the Accounts Committee of each Business segment.

9.5 Annual appraisals of senior executives and directors

Implementation of the Compliance Programme and paying due care and

attention in the field of anti-competitive practices are elements taken into account in the annual appraisals of senior executives and department heads (for example, failure to implement anti-competitive preventive measures will be to the senior executives' or department heads' detriment).

10 SANCTIONS – DEALING WITH INFRINGEMENTS OF THE COMPETITION RULES

10.1 Infringements discovered by the company

Senior executives or employees who expose their company to the consequences of an infringement of competition law will be liable to sanctions, which may include termination of their executive office, disciplinary action and dismissal, even if no action is taken by the competition authorities or the public prosecutor.

The company must immediately cease its participation in the infringement and remedy its behaviour at its own initiative. Doing so may be considered as attenuating circumstances by the competition authorities.

In the event of a horizontal collusive practice (and in accordance with the recommendation of the French Competition Authority or the European Commission or as provided for by competition law in the relevant country), the Business segment's senior executives and Ethics Officer, after consulting with their internal and external advisers, shall determine whether to apply to the competition authorities for leniency. Under the leniency procedure, a company may be granted partial or total immunity from sanctions.

10.2 Infringements discovered during an investigation initiated by a competition or judicial authority

The Business segment's senior executives, after consulting with their Ethics Officer, shall review the option of a no contest plea if this could lead to a settlement[1], where permitted by the legislation. This is particularly the case in France, where the General *Rapporteur* of the French Competition Authority Investigation Services may offer to settle with the company in the event of a no contest plea, setting the minimum and maximum amount of the fine envisaged. If the company or organisation undertakes to change its behaviour, this may be taken into account in the proposed settlement. If it agrees to the proposed settlement within a defined period, the General *Rapporteur* of the French Competition Authority Investigation Services will recommend that the French Competition Authority impose a fine within the limits stipulated in the settlement.

The European Commission (DG Competition) may also agree to a settlement if, in the light of the information presented by the Commission, the company admits to taking part in the collusion and accepts liability.

(1) In France, settlements were introduced in the French Commercial Code under Article L. 464-2 III by the law of 6 August 2015 (the Macron law) for growth, activity and equality of economic opportunity. Settlements replace the no contest plea procedure.

Senior executives or employees who expose their company to the consequences of an infringement of competition law may be liable to the same punishment referred to in section 10.1 above.

The company must cease its participation in the established infringement and remedy its behaviour at its own initiative. Doing so may be considered as attenuating circumstances.

The company should cooperate and assist fully in any investigation; it is an offence to hinder the investigators' work.

10.3 Fines and other financial penalties

Senior executives and employees will remain responsible for paying any fines or other financial penalties imposed on them by a court.

CHAPTER II
MAIN PROVISIONS OF COMPETITION LAW

FACT SHEET 1 – OVERVIEW

1 FREE AND FAIR COMPETITION: A REQUIREMENT THAT GOES BEYOND NATIONAL BORDERS

Free and fair competition is vital to an effective economy. This is one of the key principles underpinning the legislation of all the major industrial countries and the creation of the single European market. Globalisation is gradually putting pressure on the emerging economies to fall into line. Those are the rules of the game.

Most countries therefore have enacted very comprehensive competition laws.

This convergence has been accompanied by a spectacular rise in the penalties imposed on companies that engage in anti-competitive practices. International standards have emerged: for example, the maximum fine liable to be imposed on a company that infringes competition law (for example, a subsidiary of a major group) is typically set at 10% of consolidated worldwide sales of the group.

The following practices are universally prohibited:

- horizontal or vertical collusive practices between operators in a same market;
- abuse of a dominant position in a particular market;
- discriminatory practices intended to exclude a competitor from the market.

2 HIGHLY EFFECTIVE LEGISLATION

Competition law is implemented effectively through regulatory authorities with broad powers of investigation (requests for information, onsite inspections, confiscation of all business documents of any kind, in all types of premises and in whose ever possession they may be, cooperation with other competition authorities and courts in Member States, emergency interim measures). They have the power to impose extremely high financial penalties. They may sometimes give opinions on general and sector competition issues.

Procedural rules have considerably improved their effectiveness:

- leniency: when a party to a collusive practice voluntarily comes forward with evidence of collusion;
- settlement: when the authorities and the company (having waived the option of a no contest plea) agree on a fine in exchange for full cooperation during the investigation.

In France, the regulator is the French Competition Authority (Autorité de la Concurrence). For infringements affecting the European market, the regulator is the European Commission's Directorate-General for Competition (or DG IV).

In the past few years, cooperation between States has strengthened in order to fight anti-competitive practices, which often go beyond a country's borders (exchange of information between courts or competition authorities, cooperation in investigations).

The same anti-competitive practice may be identified and sanctioned by the authorities of several States if:

- one of the elements of the infringement is committed in the other State;
- the beneficiary of the anti-competitive practice is based in the other State;
- the victim of the infringement is based in the other State;
- the infringement has repercussions on the relevant market in the other State.

3 IMPORTANCE OF THE NOTION OF RELEVANT MARKET

The competition authorities are not bound by a restrictive legal framework.

While any practice can be considered as anti-competitive, whether it actually is or not will be determined by an analysis of its impact on how the market operates.

The notion of relevant market is therefore fundamental to determining whether there is abuse of a dominant position or an anti-competitive agreement in a market.

It has a geographical dimension (the market may be regional, national, European or global) and a product or service dimension (the market is the intersection of supply and demand for products or services regarded as interchangeable or substitutable by buyers or users).

Substitution is established when it can reasonably be supposed that buyers or users will regard the goods or services as suitable alternatives to satisfy a given demand. An example of a relevant market is the market for smartphones or tablets in mobile telephony.

The relevant market used by the authorities to assess the impact of a practice on the competition may be extremely narrow: a project put out to competitive tender has been considered as a distinct market in itself.

4 EVIDENCE OF ANTI-COMPETITIVE PRACTICES

The authorities have substantial freedom to establish evidence of anti-competitive practices. An accusation based on a tenuous set of indicators may be sufficient.

The form of the agreement or practice is irrelevant. The authorities may decide that a collusive practice exists based on a body of serious, accurate and consistent evidence, for example, parallel behaviour (a sudden increase in prices revealed upon publication of statistics), minutes, emails, reports, faxes or diaries referring to meetings with competitors, exchange of correspondence or taking part in meetings with competitors.

Anyone involved in a commercial function and all senior executives or employees, regardless of their hierarchical level, should be regularly reminded that it only takes slightly clumsy or ambiguous behaviour, comments or wordings of a personal or internal memo to expose the company to extremely severe penalties. There should be an unequivocal refusal to engage in any anti-competitive practice. The accused company is never given the benefit of the doubt.

5 RESPONSIBILITY OF THE PARENT COMPANY

The practices of a subsidiary may be attributed to its main shareholder (parent company, head company of a Business segment) if elements reveal that it gave instructions to or tolerated unlawful behaviour on the part of its subsidiary by failing to take action. European law takes a different approach as it is based on a presumption of the parent company's liability for the actions of its subsidiary even if it has not taken part in the infringement. This presumption can only be rebutted by providing evidence that the subsidiary takes its own independent decisions, which is very difficult to do.

In any event, if the parent company is held liable, the amount of the fine imposed can be based on the parent company's sales instead of that of the subsidiary.

FACT SHEET 2 – COLLUSIVE PRACTICES

A collusive practice is any form of concerted action between several competing companies in a same market ("horizontal" collusive practice) or between companies operating at different levels in the production and distribution chain ("vertical" collusive practice).

A collusive practice is anti-competitive and therefore prohibited when its purpose or effect is to distort the competition in that market. Therefore, a practice that has an anti-competitive purpose but does not have an anti-competitive effect can be sanctioned as can a practice that does not have an anti-competitive purpose but has an anti-competitive effect (in the latter case, the absence of intent will be taken into account).

1 HORIZONTAL COLLUSIVE PRACTICES (collusion between direct competitors)

A horizontal collusive practice is a concerted action between economic agents operating at the same level of the production and distribution chain (for example, several producers of a similar type of product).

Prohibited practices include but are not limited to the following:

- discussion and/or agreement between competitors on prices or pricing policies: simultaneous price increases, simultaneous promotions;
- agreement on sales volumes;
- agreement on market shares;
- agreement to restrict supply and therefore increase prices or stabilise the market;
- concerted refusal to supply certain customers (boycott);
- sharing out geographical areas, market segments or customers;
- concerted decision on the future winner of a public procurement contract;
- cover bidding in a public procurement contract tender invitation;
- exchange of information, even if not used, between companies operating in the same market, where they enable the market to be manipulated: information on present, past or future prices or market shares; prior exchange of information between competitors before a price increase; information about a price structure; business volumes, identity of customers, terms and conditions of sale, intentions as regards tender invitations, distribution channels; intentions as regards investment or innovation; information about prices given to an official organisation that publishes quarterly statistics;
- exchange of information between companies bidding for the same public procurement contract before the final bids are submitted;
- import or export restrictions;
- restricting or controlling production, outlets, technical development or investments.

The competition authorities will look very closely at:

- the activities of professional organisations that bring together competitors

in a same business sector and which give their members the opportunity to exchange sensitive information;

- any form of consortium or cooperation, even temporary, between competitors.

Special case of an anti-competitive practice instigated or tolerated by the client or contracting authority

It may be that a client or contracting authority instigates, tolerates or approves a collusive practice. The competition authorities do not regard this as an attenuating circumstance reducing the seriousness of the practice or exonerating the parties to it.

2 VERTICAL COLLUSIVE PRACTICES (collusion with suppliers or distributors)

A vertical collusive practice is a concerted action between economic agents at different levels in the production and distribution chain (a supplier and its distributor, or several of them).

Prohibited practices include but are not limited to the following:

- imposing on the purchaser or distributor a specific resale price, a minimum resale price, the product margin or the same resale price as the competition;
- giving a discount or sharing a portion of the marketing costs on condition that the purchaser or distributor commits to a resale price;
- threatening, intimidating, imposing penalties on or any other reprisals to set the resale price;
- forcing the purchaser or distributor to sell the product only in a given territory (absolute territorial protection clauses);
- entering into exclusive long-term agreements when the product has a large market share;
- applying economically unjustified discriminatory prices or conditions;
- forcing a purchaser to buy a product (or service) in order to buy another product (or service).

3 EXEMPTION OF CERTAIN AGREEMENTS

In a few relatively restricted cases that are strictly defined by regulations, the French and European competition authorities exempt certain agreements that could be regarded as collusive if they contribute to improving production or distribution of the goods or to promoting technical or economic progress (Article 101, paragraph 3 of the Treaty on the Functioning of the EU), provided that:

- consumers obtain a fair share of the resulting benefit, and
- they do not impose needless restrictions or afford the possibility of eliminating the competition in respect of a substantial part of the products in question.

The cases in which exemption applies are specified in the regulations and mainly concern vertical agreements.

The Legal department of the company must imperatively be consulted before any proposal to negotiate an agreement to check whether it might benefit from exemption.

FACT SHEET 3 – ABUSE OF A DOMINANT POSITION

A company holding a dominant position is one that is able to prevent effective competition and does not have to take into account competitive or consumer pressure. This position allows it to behave independently of its competitors: it has "market power" allowing it to set its commercial and pricing policy without concern for the competition. A dominant position may be held individually (by one company) or collectively (by a grouping of several companies). In some markets, a weak market share may be enough to create a dominant position. For example, this is the case when there are numerous competitors each holding a tiny market share compared with the market leader.

Holding a dominant position in a market is not per se a prohibited practice. However, a company that abuses its dominant position will be severely sanctioned by the competition authorities. Collusion and abuse of a dominant position are not mutually exclusive. Prohibited vertical collusive practices are even more severely sanctioned when carried out by a company in a dominant position.

Examples of abuse of a dominant position

- Taking advantage of its position to engage in practices that exclude or squeeze out competitors
- Entering into long-term exclusive agreements with customers
- Refusing a sale
- Applying discriminatory prices or conditions (practice of predatory prices)
- Imposing the resale price
- Practising bundled sales or services
- Refusing to grant a licence
- Granting discounts or advantages that effectively exclude a competitor

Abuse of superior bargaining position

Abuse of superior bargaining position is when a company takes unfair advantage of the weaker bargaining power of a supplier, sub-contractor or customer. This provision of French law theoretically allows abusive practices to be sanctioned even if the perpetrator does not hold a dominant position in a market. But the practice is usually assessed from the perspective of abuse of dominant position.

Three conditions must be met:

- there must be a superior bargaining position: this will be analysed on the basis of the company's contribution to the sales of its partner or partners; the brand awareness and size of market share of the partner or partners; whether there are any alternative solutions and the factors that led to the unequal bargaining position (deliberate strategy or choice dictated or imposed on the victim of the abuse).
- there must be abuse of the superior bargaining position: refusal to sell, bundled sale, discriminatory practices (any practice involving a departure from usual behaviour that could be considered as abuse).
- there must be a real or potential harmful effect on competition in the market.

A company that suffers abuse of superior bargaining position may refer to the French Competition Authority and may also file a claim for damages in the civil courts.

FACT SHEET 4 – SANCTIONS

The same infringement may be liable to several different sanctions:

- administrative sanctions imposed by the competition authorities;
- compensation to the victim granted by civil courts; nullity of contracts and commitments;
- criminal sanctions against the company and/or its senior executives and employees personally involved in the infringement;
- "ancillary sanctions", including debarring from public procurement contracts.

When the offence is committed or produces effects in several States, the offender risks being sanctioned in each of them (see Fact sheet 1 – section 2).

1 ADMINISTRATIVE SANCTIONS IMPOSED BY THE COMPETITION AUTHORITIES

The following table shows the sanctions, and the method for calculating them, that can be imposed by the European and French competition authorities for anti-competitive practices, thus underlining the scale of the risks run by companies that infringe anti-competition law:

	European Commission – DG IV	French Competition Authority
Basic fine	= **Percentage of the value of the relevant sales (0-30%)** x **Period** (in years or period of less than a year) + **15-25% of the value of the relevant sales:** additional deterrent effect against cartels	= **Percentage of the value of the relevant sales** (0-30% and 15-30% for horizontal collusive practices involving price fixing, dividing up markets or customers or restricting production) x **Period** (in years or period of less than a year)
Increased by	**Aggravating factors** For example, ringleader, repeat offender, obstructing the investigation	**Aggravating factors** For example, ringleader, repeat offender, (same infringement in less than 15 years – increase of 15-50%), obstructing the investigation, coercion of or reprisals against competitors, the company is influential or has a moral authority (for example, responsible for a public service); the company is large, economically powerful or has substantial global resources
Reduced by	**Attenuating factors** For example, minor role or practice encouraged by the legislation	**Attenuating factors** (victim of coercion, infringement encouraged or authorised by the public authorities, compliance programme, competitive activity in a substantial part of its products and services, mono-product company, cooperation in the investigation, commitments made, payment of compensation to the victim under a settlement agreement)
Maximum amount	**10% of consolidated worldwide sales** of the company that committed the infringement (per infringement); presumption of parent company liability (=> basis for fine = parent company sales)	**10% of consolidated worldwide sales** excluding tax (per infringement) or €3 million if not a company (for example, professional organisation)
Possibility of increase		Increase possible, up to a maximum of 10% of the financial penalty to finance support for victims

(cont. on page 23)

	European Commission – DG IV	French Competition Authority
Possibility of additional reduction	**Leniency:** 100% for the first company to come forward, 30-50% for the second, 20-30% for the third and up to 20% for the others	**Leniency:** before statement of allegations made): 100% for the first company to come forward if the competition authority does not already have information about the infringement (first degree leniency), second degree leniency up to 50% if further evidence of significant value is provided
	Settlement: reduction of up to 10% of the penalty (can be cumulated with the reduction for leniency)	**No contest plea** **+ ceasing and desisting from the practice** **+ commitment made:** reduction possible as part of a settlement
	Reduction related to inability to pay (when payment of the fine affects the company's economic viability)	**Reduction related to inability to pay** (when payment of the fine affects the company's economic viability)

Sanctions imposed by a competition authority are intended to protect the public economic order, not to compensate for losses sustained by the parties. They are therefore paid to the State (or the European Union). They are not tax deductible in France or, typically, in other countries.

Competition authorities impose financial penalties that are intended to act as a deterrent: they do not simply seek to sanction unlawful practices but to raise awareness and send a dissuasive message to other companies. In line with this objective, the competition authorities deliberately impose more severe penalties on large groups as they set the example.

Other sanctions imposed by the French Competition Authority:

- publication of an extract of the decision (L. 420-6 and L. 464-2 of the French Commercial Code (*Code de Commerce*));
- the competition authority may order the company to cease and desist from the anti-competitive practice within a given time period, impose special conditions or accept commitments from the companies designed to put an end to the practices (L. 464-2 of the French Commercial Code (*Code de Commerce*)).

The 15 largest fines imposed by the French Competition Authority

Amount (€ million)	Business sector Infringement	Year
672.3	**Carrier industry (parcel delivery)** Two instances of collusion, the main one (fine of €670 million) involving 20 companies and the trade association TLF for repeated cooperation on annual price rises (2004-2010 period)	2015
575.4*	**Steel industry** Collusive practices between 11 companies	2008
534	**Mobile telephony** Collusive practices between Bouygues Telecom, Orange and SFR	2005
384.9	**Cost of cheque processing** Collusive practices between 12 banks	2010
367.9	**Washing powder** Collusive practices between 4 manufacturers	2011
350	**Business telephony** (no contest plea) Abuse of dominant position by Orange, anti-competitive price rebates, discrimination	2015
242.4	**Flour (France-Germany)** Collusive practices between 13 flour producers or Franco-German flour groups	2012
192.3	**Dairy products** Price agreements and volume sharing between 11 companies – Cartel reported by Yoplait, which obtained full immunity from its fine (€44 million) under the leniency programme (first degree)	2015
183.1	**Mobile telephony** Abuse of dominant position by Orange and SFR, by practising excessively dissimilar prices for calls within and outside their network	2012
174.5	**Preventing the renegotiation of mortgage loans by individuals** Collusive practices between 9 banks	2000
100	**Energy** Abuse of dominant position by Engie	2017
94.4	**Price agreements on certain services between temporary employment agencies** Collusive practices between 3 major companies in the market	2009

(cont. on page 25)

(*) Reduced to €73 million by the Paris Appeal Court.

Amount (€ million)	Business sector Infringement	Year
69.2	**Zinc** Abuse of dominant position by Umincore (exclusive supply)	2016
54.9	**Road signalling** Collusive practices between 8 companies in the sector including a Colas subsidiary (Aximum)	2010
47.9	**Public procurement contracts in the Paris region** Collusive practices between 34 construction companies, including subsidiaries of the Bouygues Group (Screg Île-de-France, Colas, Colas Île-de-France Normandie, Bouygues Bâtiment Ile-de-France)	2006

The ten largest fines imposed by the European Commission

Amount (€ million)	Business sector Infringement	Year
2,926	**Truck manufacturers** Collusive practices between 6 manufacturers for 14 years (price fixing, collusion on timeline for introducing new emissions technology to bring medium and heavy goods vehicles into line with European standards)	2016
2,420	**Online search engines** Abuse of dominant position by Google	2017
1,470	**Cathode ray tubes** Collusive practices between 7 companies for 10 years (price fixing, market allocation, customer allocation, coordination of production capacity and exchange of sensitive commercial information)	2012
1,383	**Manufacturers of flat glass for the automotive industry** Collusive practices between 4 manufacturers	2008
834 (initial fine: 992)	**Lifts and escalators** Collusive practices between the subsidiaries of 3 major groups for installation and maintenance in 4 countries	2007
799	**Air cargo carrier**	2010
790 (initial fine: 855)	**Vitamins** Collusive practices between 8 companies to allocate markets and fix prices for 10 years	2001
676	**Candle wax** Price cartel between 9 groups	2008
648	**LCD manufacturers**	2010
622	**Manufacturers of bathroom equipment** Collusive practices between 17 manufacturers in 6 countries for 12 years	2010

2 CIVIL "SANCTIONS": COMPENSATION FOR THE VICTIM OF THE ANTI-COMPETITIVE PRACTICE – NULLITY OF CONTRACTS AND COMMITMENTS

2.1 Compensation for harm

EUROPEAN UNION

Any victim (individual or legal entity) of a practice contrary to European competition law may seek compensation for the harm sustained provided that evidence of the company's wrongdoing, the amount of the loss, and the cause and effect between the wrongdoing and the loss can be provided[1]. Around 25% of the decisions taken by the European Commission against cartels have been followed by compensation claims by the victims.

The Commission recommends the enactment of class actions for victims of anti-competitive practices.

FRANCE

Several laws have been passed in France recently to make it simpler and easier for victims of anti-competitive practices to claim compensation through the courts. This is a clear signal to companies engaging in anti-competitive practices that they will be at much greater risk of having to pay compensation to the victims.

Introduction of class actions

In 2014, following the European Commission's recommendation, France introduced the class action, which allows consumers to group together to claim compensation for losses caused by an anti-competitive practice.

It is similar in many respects to the class action system that exists in the United States, although the French system includes a number of mechanisms to prevent excesses. For example, class actions may only be brought by certain approved consumer protection organisations.

Class actions allow consumers to act collectively and thus share the legal costs and expenses involved. Previously, cost was often a serious deterrent for consumers wishing to make a claim, particularly when the loss sustained by each one was perhaps only a few tens or hundreds of thousands of euros. Class actions now enable thousands or even hundreds of thousands of consumers to take collective action against a perpetrator of anti-competitive practices, even when their individual loss is relatively small.

Through this new mechanism, the French legislator is sending a clear message that anti-competitive behaviour practised on a wide scale, even if it only results in a small loss to each individual victim, will no longer go unpunished or uncompensated.

At the end of 2016, nine class actions had been brought against large industrial groups and banks. However, none of them are seeking compensation for loss caused by anti-competitive practices.

(1) European Commission – Competition – Delivering for consumers: http://ec.europa.eu/competition/consumers/contacts_en.html#1

Introduction of new provisions to make it easier to claim compensation

Victims of an anti-competitive practice may seek compensation for losses sustained on the basis of Article 1240 (formerly 1382) of the French Civil Code (*Code Civil*) and the new provisions introduced in Articles L. 481-1 *et seq*. of the French Commercial Code *(Code de commerce)*[1].

The new laws set out the fundamental principle that "Individuals and legal entities shall be liable for the harm they cause by practising anti-competitive behaviour".

They also contain several provisions to make it easier for victims of anti-competitive practices to claim compensation through the courts:

- "There is now a conclusive presumption that an individual or legal entity is guilty of anti-competitive behaviour when a final decision to that effect has been taken by the French Competition Authority or other jurisdiction". If a claim for compensation is made, individuals or legal entities that have been found guilty of anti-competitive practices by the French Competition Authority or other jurisdiction will automatically be held liable unless they can prove that they did not take part in those anti-competitive practices, which will not be easy to do. This should considerably ease the task of the victims, who previously had to establish proof of the offender's wrongdoing;
- "Where the European Commission has established the existence of an anti-competitive practice, the French court in which a claim for compensation has been brought on the grounds of that practice cannot take a decision that runs counter to the Commission's ruling". This principle should also make things easier for victims, as they will now be able to use the European Commission's decision as grounds for their compensation claim;
- It is also easier for victims to prove that they have suffered harm. Previously, this was a serious deterrent for victims seeking compensation. The legislation now provides that "An anti-competitive practice between competitors is presumed to cause harm unless proved to the contrary". The burden of proof has therefore been reversed and the perpetrator now has to prove that the anti-competitive practice did not cause harm to the victim. Otherwise, the victim will automatically be presumed to have suffered harm and need only justify the amount of compensation claimed;
- The new laws also set out what is meant by "harm". It not only covers the actual loss sustained, but also loss of profit, loss of opportunity and moral damages;
- Lastly, the new laws establish a principle of joint and several liability between the offenders. If several individuals or legal entities have col-

(1) These new provisions result from the implementation in French law (through the Sapin 2 law of 9 December 2016 as well as a decree and Ruling of 9 March 2017) of the principles set out in Directive 2014/104/EU pertaining to certain rules governing actions for damages under national law for infringements of the competition law.

luded in an anti-competitive practice, they are jointly and severally liable for the resulting harm, in proportion to the severity of their wrongdoing and their role in causing the harm.

Ultimately, these provisions should encourage and prompt victims to make claims for compensation against anyone who engages in anti-competitive practices.

Perpetrators should be aware that apart from administrative sanctions, they risk having to pay increasingly large amounts of compensation to the victims, who now have strong legal means to make a claim.

Increase in compensation claims

Claims for compensation due to infringements of competition rules have been increasing in the past few years.

For example, Île-de-France (Paris region) is claiming compensation of €242 million for harm sustained from some 15 construction companies and some ten individuals, senior executives, employees and consultants on the grounds of collusion on public procurement contracts for schools in the Paris region).

UNITED STATES

In the United States, a perpetrator of anti-competitive practices may be ordered to pay punitive damages (triple the compensation awarded).

OTHER COUNTRIES

In some countries, if the exact amount of the loss cannot be proved, the law sets a percentage of the sales generated by the anti-competitive practice (for example in Hungary).

2.2. Nullity of contracts and commitments

French law provides that any contract or commitment relating to an anti-competitive practice is null and void. A public client may seek nullity of contract for wilful misrepresentation and seek a refund of the entire contract price with interest. Under French case law, a company may be unable to reclaim costs from the public authority when a contract is voided on the grounds of an unlawful practice that obtained the administrative authorities' consent through wilful misrepresentation.

3 CRIMINAL SANCTIONS

In France, any person who knowingly plays a decisive and personal role in developing, organising or implementing collusive practices or abuse of a dominant position is liable to four years' imprisonment and a fine of €75,000.

A legal entity may also be ordered to pay criminal fines either directly or jointly, along with its offending senior executives.

Several countries have chosen to combat anti-competitive practices through criminal sanctions aimed more specifically at senior executives and employees of companies. The United States focuses on criminal sanctions against individuals: in 2010, the Department of Justice (DoJ) imposed a total of more than 26,000 days' imprisonment (i.e. more than 71 years in total) for cartel cases. Between 2007 and 2016, the DoJ lost only 17 of a total of 580 cases brought in the criminal courts for competition offences.

FACT SHEET 5 – LENIENCY IN HORIZONTAL COLLUSIVE PRACTICES

What to know

Today, 80% of the cases handled by the European Commission's Competition Directorate come from applications for leniency.

For example, a cartel between truck manufacturers, which resulted in the heaviest fine ever imposed by the European Commission (€2.93 billion), was reported by MAN in 2016. Under the leniency programme, MAN was given full immunity (first degree leniency) from the fine it would otherwise have incurred (more than €1.2 billion) in exchange for reporting the practice and cooperating in the investigation.

In 2017, Daimler is said to have informed the European Commission of wide scale collusion between the main German car manufacturers whose aim was to limit innovation.

In general, leniency programmes are becoming increasingly successful in Europe. The European Commission and 26 member States now have such a leniency programme.

In France, companies are making more and more use of leniency programmes.

In France and Europe, the benefit of leniency is restricted to horizontal collusive practices regarded as serious.

French law confers immunity from a fine on the first company to come forward and report the collusive practice. The company can only benefit from immunity if the French Competition Authority did not already have evidence of the collusive practice (first degree leniency). Failing that, providing further evidence of significant value may, depending on the French Competition Authority's opinion, warrant a reduction of up to 50% of the penalty.

European law provides either full immunity or a scale of reduction depending on the order of the leniency applications: 30-50% for the second, 20-30% for the third and up to 20% for the others.

The competition authority is free to grant or refuse immunity.

Leniency is not available for companies that have coerced their competitors.

If leniency is refused, a company that does not contest the allegations may be offered a settlement agreement by the competition authority or the European Commission. It may also appeal against the refusal of leniency in the competent courts.

What to do

If a red flag is raised concerning a horizontal collusive practice, the Business segment's senior executives and Ethics Officer, after seeking advice from their internal and external advisers, shall consider the option of applying to the competition authorities for leniency.

Admission to the leniency regime is conditional upon all of the following:

- maintain continuous and complete cooperation as soon as the application is made and throughout the investigation;

- cease further participation in the collusive practice even where it exposes the company to liability for abusive termination of contractual relations;
- not to have destroyed, falsified or hidden evidence and not to have disclosed its intent to apply for leniency;
- the application must not be made known to third parties and participants in the collusive practice.

FACT SHEET 6 – OTHER PRACTICES GOVERNED BY COMPETITION OR SIMILAR LAW

Other provisions of competition law or peripheral to competition law are important to know about due to the heavy sanctions or repayment of undue gains that may be imposed on offenders. These laws include the merger control rules applicable in France, Europe and most other countries, State aid sanctioned under European rules and unfair or discriminatory practices sanctioned under French law in particular. A brief description of these rules is given below.

1 MERGER CONTROL

Mergers and acquisitions (acquisition of companies, creating joint subsidiaries, merger) above a certain threshold are subject to prior approval of the competition authorities. They may prohibit the transaction, give their clearance subject to commitments or remedies (for example, sale of a business operation) or give their unconditional clearance. Companies that fail to report a proposed concentration or that complete the transaction before obtaining authorisation are subject to extremely severe penalties. For example, in 2016, Altice and SFR group were jointly ordered by the French Competition Authority to pay a fine of €80 million for having completed two concentration transactions before obtaining consent from the French Competition Authority. If the transaction is completed without obtaining

approval or before seeking approval, the competition authorities can also order the companies to reverse it.

Any Group entity should therefore verify whether a proposed concentration is notifiable and include a condition precedent in the acquisition or sale agreement making the deal contingent on obtaining approval from the relevant competition authorities (bearing in mind that a transaction may require approval from several different competition authorities).

2 STATE AID

European competition law has a procedure for controlling aid granted to a company by the State or any public body, as this could create a competitive imbalance in the market. The European Union authorities regard State aid as very broadly covering any direct or indirect public participation in funding a project. If the aid is declared illegal by the European Union authorities, the recipient will be required to pay it back. The fact that a public authority grants aid (directly or indirectly) is not a guarantee that it complies with European regulations. An in-house lawyer must always be consulted when a public body grants aids, such as public guarantees or subsidies.

3 UNFAIR OR DISCRIMINATORY PRACTICES

3.1 General information

In France, manufacturing, trading or industrial companies engaging in any of the following practices will be held liable and will be required to compensate for losses sustained (Article L. 442-6, I, of the French Commercial Code (*Code de Commerce*)):

- Undue advantage: obtaining or seeking to obtain an advantage of any kind from a commercial partner without providing a commercial service in exchange, or which is manifestly disproportionate to the value of the service provided.
- Significant imbalance: imposing or seeking to impose obligations on a commercial partner that would create a significant imbalance between the rights and obligations of the parties.
- Obtaining or seeking to obtain an advantage as a condition to placing an order, without providing a written commitment to a proportionate purchase volume.

3.2 Termination of or threat of terminating an established business relationship

Among the unfair or discriminatory practices, the termination of or the threat of terminating an established business relationship is particularly significant because of the amount of litigation that it generates.

An established business relationship is one that is stable, ongoing and regular, providing a reasonable expectation of continued business with a partner in the future.

THREAT OF TERMINATION

It is a civil offence for a company to obtain or seek to obtain manifestly abusive conditions in terms of prices, payment periods, terms and condi-

tions of sale or services by threatening to abruptly terminate the business relationship either in full or in part.

TERMINATION

It is a civil offence for a company to abruptly terminate an established business relationship, either in full or in part, without giving sufficient prior written notice, which is assessed by reference to customary practices and taking account of the length of the business relationship.

The company may terminate a contract without notice in the event of serious misconduct by its partner, but not on the grounds of the partner's economic difficulties.

4 SANCTIONS FOR UNFAIR OR DISCRIMINATORY PRACTICES

Sanctions against companies engaging in unfair or discriminatory practices have been significantly increased by the French legislator in recent years[1].

A claim for compensation for the harm caused by such practices may be made by (i) anyone with a vested interest (i.e. the victims of the unfair or discriminatory practices), (ii) the President of the French Competition Authority, (iii) the French Ministry of the Economy, or (iv) the French public prosecutor. The latter two may request additional sanctions, including:

- an order to cease the unlawful practice;
- nullity of clauses or of unlawful contracts;
- recovery of undue payments;
- civil fine of up to €5 million (which may be increased to triple the sums unduly paid or, commensurate with the undue gain made, 5% of sales before tax generated in France by the offender;
- compensation for loss sustained by the victim.

The court will systematically order the decision to be published and may also order the company to disclose it in its annual report.

If the victim of abuse of superior bargaining position becomes insolvent, the offender may be regarded as the co-employer of all employees whose job is threatened.

(1) Law of 6 August 2015 (the Macron law) for growth, activity and equality of economic opportunity and the Sapin 2 law of 9 December 2016.

FACT SHEET 7 – USEFUL LINKS AND REFERENCES

Consult the links below for key information on competition law. If the link has been changed, the information can be found by entering the title in a search engine.

FRANCE	
French Commercial Code *(Code de Commerce)*	Please refer to Book IV of the French Commercial Code *(Code de Commerce)*: *"De la liberté des prix et de la concurrence"*: http://www.legifrance.gouv.fr/ Click on: Les codes en vigueur > choisir un code > code de commerce > consulter
French Competition Authority *(Autorité de la Concurrence)* – Proceedings	http://www.autoritedelaconcurrence.fr/user/index.php
EUROPEAN UNION	
Treaty on the Functioning of the European Union (particularly Articles 101 and 102)	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012E/TXT
Other applicable laws	http://europa.eu/pol/comp/index_en.htm

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DISCLAIMER

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BOUYGUES

CONFLICTS OF INTEREST

COMPLIANCE PROGRAMME

BOUYGUES

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EDITORIAL

A conflict of interest between an employee or senior executive and the Group always creates a difficult situation. Although such situations can usually be resolved through common sense and professional conscience, I nonetheless wished to implement a Conflicts of Interest Compliance Programme in addition to our Code of Ethics. Its objective is to prevent and deal with conflict of interest situations in our organisational structures and to provide senior executives and employees of the Group with a concrete, operational code of conduct.

The Group must respect the private lives and freedom of its employees. This Programme simply and clearly reminds senior executives and employees that during the course of their employment or professional duties, they are expected to behave with loyalty and integrity towards their company at all times and that the Group's legitimate interests must always take precedence over their own personal interests when there is a conflict between the two.

Martin Bouygues
Chairman and CEO

1 PURPOSE OF COMPLIANCE PROGRAMME

This compliance programme (the "Compliance Programme") supplements Article 5 of the Group[1] Code of Ethics. Its purpose is to deal with situations where an employee or senior executive of the Bouygues group is faced with a conflict of interest in the course of his or her employment or executive role.

2 CONFLICTS OF INTEREST IN BUSINESS – FUNDAMENTAL RULES

2.1 Employees' obligations

In accordance with employment contracts, employees owe a duty of loyalty and integrity to the company during the course of their employment relationship. They must not engage in activities that compete with their employer's business, either on their own behalf or on behalf of a third party.

2.2 Definition of conflict of interest

There is a conflict of interest when the personal interests of an employee, senior executive or executive officer of the Group are in conflict with or compete with the interests of the Group company they work for.

The concept of personal interests should be understood in the broadest sense of the term. It may involve the person's direct interests (material or simply moral) as well as the interests of a closely associated person (someone in their immediate entourage or entity with whom/which they have direct or indirect relationships).

2.3 Principles

Senior executives and employees must avoid placing themselves in a conflict of interest situation.

If a conflict of interest arises, employees or senior executives must under no circumstances put their own interest before that of the company.

Senior executives or employees who intentionally place themselves in a conflict of interest situation by seeking to gain a personal advantage or interest in the course of their work are guilty of wilful misconduct. They may also be committing a criminal offence, for example on the grounds of abuse of confidence or misappropriation of company assets.

When it is impossible to avoid a conflict of interest, the situation must be handled carefully as the relevant employee is no longer in a position to act independently and impartially. Employees should protect themselves against such situations and make sure that the company's interest is always safeguarded.

The fundamental principles that apply are based on the following key obligations:

- duty to implement the preventive rules effective in the Group;
- duty of transparency;
- duty to refrain.

(1) In this Compliance Programme, the term "Group" or "Bouygues group" refers to Bouygues SA and all the companies and entities governed by French or foreign law directly or indirectly "controlled" by Bouygues SA. The concept of "control" is that defined in the provisions of Articles L. 233-3 and L. 233-16 of the French Commercial Code (Code de Commerce) and accordingly covers both de jure and de facto control. The principles set out in this Programme apply automatically to all companies or entities that are "jointly controlled".

3 RELATIONS WITH PARTNERS (SUPPLIERS, CUSTOMERS, SERVICE PROVIDERS, ETC.)

Conflicts of interest can easily arise when a senior executive or employee or a closely associated person has a relationship with or interest in one of the Group's partner companies (e.g. supplier, service provider, sub-contractor, customer) or a rival company.

3.1 Preventive measures

The first rule is to avoid placing oneself in a conflict of interest situation.

REFRAIN FROM ACQUIRING EQUITY INTERESTS IN A PARTNER

Senior executives or employees should not acquire equity interests in a partner or rival company. This principle does not apply to buying shares in listed companies as part of the routine management of a portfolio of stocks and shares.

REFRAIN FROM ACCEPTING DIRECTORSHIPS OR EXECUTIVE OFFICES WITH A NON-GROUP PARTNER

Senior executives or employees should not take up directorships or executive offices with a partner company (customer, supplier, sub-contractor, etc.) or a rival company.

REFRAIN FROM DOING PERSONAL BUSINESS WITH THE COMPANY OR ENTERING INTO A RELATIONSHIP WITH A PARTNER

Senior executives or employees should avoid situations such as proposing that their company buy or lease an asset or property which they own or is owned by someone with whom they have family, friendship or other ties.

They should not work for a partner or competitor in any way whatsoever while employed by a Group company.

It is prohibited to use contacts with Group suppliers or other business relationships for the purpose of selling or buying personal assets.

3.2 Measures to be taken if a conflict of interest arises

However, there are circumstances where a conflict of interest cannot be avoided.

3.2.1 Senior executives or employees in a conflict of interest situation should systematically disclose full details with no omissions to their line manager and the Human Resources department.

3.2.2 They must refrain from acting or being involved as a representative of the company. They must also refrain from taking part in any decision-making process involving the conflict of interest.

The first rule when faced with a conflict of interest is to use common sense. The following example provides a framework for assessing the situation and deciding what to do.

Example: an employee's spouse (or close family member) works for a supplier while the employee works in the Purchasing department (or a department in charge of negotiating and/or performing a contract with that supplier).

In this case:

- either the employee's job is not remotely involved, even indirectly, with the process of selecting the supplier or preparing or negotiating the contract. On the face of it, therefore, there is no conflict of interest.

  However, as a precaution, the employee should report the situation to his or her line manager and/or Human Resources department (or any other person designated by the Business segment[1]) and comply strictly with a duty of confidentiality prohibiting him or her from disclosing any information of a professional nature about the company that could be of interest to the relevant partner or customer.

- or the employee's job involves him or her directly or indirectly in the business relationship, in which case there can clearly be a conflict of interest. Even if the employee seeks to act honestly and fairly in the company's interest and to comply scrupulously with the principles of the Group or the Business segment, he or she still runs a risk of being unable to act independently or impartially even perhaps without realising it.

It is therefore essential for the employee to immediately inform his or her line manager and/or Human Resources department (or any other person designated by the Business segment), who will then assess the situation and take a decision in the company's interest in accordance with the procedures applicable in the Business segment. This decision will typically involve asking the employee not to take part in a particular decision, transaction or negotiation and to take the appropriate measures to maintain the confidentiality vital to the business relationship.

3.2.3 After advice from its Ethics, CSR and Patronage Committee, each Business segment implements rules and procedures governing the purchase by senior executives or employees of products or services provided by its companies. If senior executives and employees are allowed to purchase these products and services and if the Business segment decides to give them reasonable preferential terms, the Business segment must (i) establish general rules that apply to everyone alike, (ii) define the products and services as well as the quantities that may be purchased by them, (iii) ensure that the price and terms and conditions of sale cannot be set unilaterally by one person or a small group of people, and (iv) generally prohibit any practice or situation enabling senior executives or employees to benefit from their functions or powers to favour their own personal interests either directly or indirectly. For example, the purchase of a property asset by a senior executive or employee who works for the developer or contractor responsible for the project should either be prohibited or governed by strict rules.

3.2.4 Group employees working in Purchasing departments must be particularly attentive and abide strictly

(1) In this Compliance Programme, the term "Business segment" refers to each of the main activities of the Group, which are, as of the date hereof, "Construction" (Bouygues Construction), "Property" (Bouygues Immobilier), "Roads" (Colas), "Media" (TF1) and "Telecoms" (Bouygues Telecom).

by the provisions of the Code of Ethics, this Compliance Programme and the Internal Control Reference Manual on "Buyer independence and code of conduct". Each Business segment should draw up rules for its Purchasing departments in line with this Programme, adding any additional provisions required to supplement and clarify the rules due to the specific nature of the Business segment. The purpose is to make the purchasing function fully aware of the potential dangers.

4 GIFTS, FAVOURS, ADVANTAGES

This issue is dealt with in the Anti-corruption Compliance Programme.

5 CONFLICTS OF INTEREST WHEN HIRING OR APPRAISING AN EMPLOYEE

5.1 When hiring an employee, the recruiter and the Human Resources department should ensure that:

- there is no non-competition clause preventing them from hiring the person, which would needlessly create a conflict of interest for which the company could be blamed;
- there is no major conflict of interest risk due to the candidate's interests and activities outside the company.

5.2 Anyone seeking to hire a former civil servant or public official should comply strictly with the regulations in force and any resulting restrictions. The Compliance Officer should provide information on the specific regulations governing the hiring of such persons. The Human Resources departments and/or person doing the hiring should seek the advice of the Compliance Officer. The candidate should not be hired if there is any incompatibility with his or her previous functions or relationships that may have existed with the Bouygues group during the course of those functions.

French regulations require three years to elapse before hiring a civil servant or public official who has been in charge of controlling or supervising the company or involved in contracts with it. As a general rule, regardless of the country, prudence dictates that in all circumstances the applicable regulations should be strictly observed and that a significant waiting period after the candidate's public functions have ended should elapse before the person is hired (unless his or her functions had no direct or indirect relationship with the Group's business).

5.3 A conflict of interest may arise when hiring a new employee, and also during the appraisal process or when setting an employee's remuneration. Such decisions must under no circumstances be influenced, even unconsciously, by personal motives or an interest other than that of the company.

Senior executives and employees should not take part in the process of hiring, appraising or setting the remuneration of a person with whom they have a family or other close relationship.

Should such a situation arise, the relevant senior executive or employee should inform his or her line manager

and the Human Resources department, who will make sure that an adequate process is in place to guarantee a totally objective and impartial decision. The relevant senior executive or employee will not take part in the process of hiring, appraising or setting the remuneration of a person with whom they have a family or other close relationship.

6 CONFLICTS OF INTEREST AND ACTIVITIES OUTSIDE THE COMPANY

6.1 Engaging in business for a partner or competitor – Engaging in a competing business for oneself

Senior executives and employees must not engage, either for themselves or for a third party, in a competing or similar business to that of the Group company that employs them.

6.2 Directorships and executive offices

Senior executives and employees who are invited to accept a directorship or executive office outside the Group (e.g. director, member of supervisory board, etc.) should first inform their line manager and the Human Resources department. They should also inform the other company of their involvement with the Bouygues group. The prohibition set out in section 6.1 covers directorships and executive officers in a rival company. Any directorship or executive office must be compatible with the person's employment contract. As a general rule, all senior executives and employees should inform their line manager of any directorships or other offices held outside the Group.

6.3 Teaching

Employees wishing to use their business skills to take up a teaching activity should make sure that it does not impinge on their professional obligations. They should first inform their line manager who will make sure that the proposed activity is compatible with the employee's employment contract.

If the teaching content is drawn from or related to the senior executive's or employee's work within the Group, he or she must take care not to disclose any information or take positions that would enable a third party to harm the company's interests, or which might generally harm the company in any way.

6.4 Public activities (politics, charity work, etc.)

Although the Bouygues group respects its employees' personal interests and commitments outside the workplace (political[1], religious, charitable or other), employees are nonetheless required to take a strictly neutral position with regard to those interests when in the workplace.

Their outside interests must therefore not interfere with the Group or their professional activities:

- senior executives and employees may not associate the company's name in any way with their outside

(1) As regards employees' political activities, please also refer to the specific initiative introduced in 2017 enabling them to stand for political office.

personal commitments. They may under no circumstances use the Group's assets or refer to the Group in the course of their personal activities. They may not conduct those activities during working hours or use the company's resources or premises;

- senior executives and employees who deal with a local authority or other entity in the course of their work for the Group should avoid taking on functions for that local authority or other entity if it could give rise to a conflict of interest (e.g. an employee of Bouygues Immobilier should not become deputy mayor in charge of urban planning);
- senior executives and employees who may or do find themselves in a conflict of interest situation due to the functions they hold outside the Group (e.g. elected office, president of an association, etc.) should inform the company's Human Resources department and their line manager; when engaging in that outside activity, they should refrain from taking part in any decision affecting the Group;
- similarly, senior executives and employees should refrain from taking decisions during their work for the Group that affect an outside entity for which they conduct activities on a personal basis (e.g. a person who is the mayor of a town that works with the Group may not take part in the Group's business relationship with that town).

7 DIRECTORS/EXECUTIVE OFFICERS AND CONFLICTS OF INTEREST

Directors and executive officers of all Group companies are required to pay special care and attention to conflicts of interest.

7.1 Specific regulations on so-called "regulated agreements" deal with conflicts of interest that may arise between the company and its senior executives – Chief Executive Officer, Deputy CEO, director, chairman of a simplified limited company (*Société par Actions Simplifiée* – SAS), etc. – or between the company and a shareholder with more than 10% of the company's voting rights (or entity controlling such a shareholder) as a result of (i) agreements between them and the company; (ii) agreements in which the senior executives may indirectly have an interest, or (iii) agreements between two companies with common senior executives.

Those regulations must be strictly applied within the Group. Legal departments should make sure that the regulations on regulated agreements and the Bouygues group Internal Charter on Regulated Agreements are strictly observed.

7.2 Directors and executive officers should inform their board of directors of any conflict of interest, even potential, between their duties to the company and their private interests. The chairman of a board may, at any time, ask directors and non-voting directors to provide a written statement confirming that they are not subject to a conflict of interest.

7.3 Directors must refrain from voting on any issue that concerns them directly or indirectly. In some cases, this obligation to refrain from voting may even require the relevant person not to attend the meetings and not to have sight of the documents about the issue in question.

7.4 Directors and executive officers must not engage in an activity that would place them in a conflict of interest situation and must not hold an interest in a client, supplier or rival company if such an investment might influence their behaviour in the performance of their duties.

8 RESPONSIBILITY OF SENIOR EXECUTIVES

The senior executives of each Group entity are responsible for observing, promoting and overseeing the implementation of the Compliance Programme by establishing information, prevention and control measures, as well as appropriate sanctions in the event of violation.

9 APPOINTMENT OF A COMPLIANCE OFFICER

The Ethics Officer of each Business segment of the Group is appointed as Compliance Officer entrusted with the implementation of the Compliance Programme. The Compliance Officer is the first point of call for the Human Resources departments and senior management, as well as for employees or senior executives faced with conflict of interest issues. They are responsible for seeking the most appropriate solutions to the various situations that might arise. They **may not change** the basic content of the Programme but may supplement, illustrate or add to it, where warranted, to take account of the specific nature of the Business segment and to make the Programme more effective.

10 INFORMATION AND TRAINING

The Compliance Officer ensures that the existence of the Compliance Programme is made known to the senior executives and employees in the Business segment. They make sure that employees of the Purchasing and Sales departments receive the appropriate training.

11 COMPLIANCE AUDIT

An audit of each Business segment's rules and risks as regards conflicts of interest should be performed regularly, with the priority on the most vulnerable departments (purchasing, sales, etc.). The audit method used should be defined by the Business segment with the assistance of its Compliance Officer.

12 CONTROL

During its regular or specific internal audit assignments, the Audit department of the Business segment and/or Group, assisted by the Compliance Officer, makes sure that the operations of the Business segment or Group are conducted in compliance with the principles of the Compliance Programme.

13 SANCTIONS FOR VIOLATION OF THE CONFLICT OF INTEREST RULES

Senior executives and employees who violate the rules set out in the Compliance Programme will be liable to sanctions, which, depending on the nature and severity of the violation, may range from a simple warning to termination of executive office or disciplinary action (including dismissal) for more serious misconduct.

If there is evidence that a criminal offence has been committed (corruption, misappropriation of company assets, etc.), the company may, after assessing the matter with its advisers, file a complaint and/or claim civil damages in compensation for its losses.

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2014 • Updated: September 2017

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BOUYGUES

FINANCIAL INFORMATION AND SECURITIES TRADING

COMPLIANCE PROGRAMME

BOUYGUES

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EDITORIAL

In addition to our Code of Ethics, I wished to implement a precise, detailed Financial Information and Securities Trading Compliance Programme.

The AMF (*Autorité des Marchés Financiers* – French Securities Regulator) encourages the implementation of a specific compliance programme and urges listed companies to draw up a code of conduct for securities trading.

Working in a group that comprises several listed companies or having business relations with listed companies requires compliance with highly complex legislation.

This Compliance Programme is aimed first and foremost at the Group senior executives and senior managers who, due to the nature of their functions, implement major operations on behalf of the Group, are involved in its external communications or have regular access to information that is sensitive for the Group, whether specific to one of its companies or involving the Group as a whole.

But more generally, it also requires all employees to take great care and to comply with certain rules when trading in the securities of a listed company belonging to the Group or those of a company involved in a transaction with the Group.

Martin Bouygues
Chairman and CEO

PREVENTING INSIDER DEALING
GENERAL DESCRIPTION

What is insider dealing?

Insider dealing is the practice of buying or selling listed securities on the basis of non-public information. The insider is the person who seeks to use the non-public information – or "inside information" – for personal gain or who attempts to give someone else the benefit. Insider dealing does not have to be successful – i.e. make a gain for the insider, a connected person or a third party – to be sanctioned.

Why is it prohibited?

Insider dealing is distinct from lawful trading because the "inside information" reduces or eliminates the risk involved in a market transaction, thereby giving the insider an unfair advantage over other investors. Insider dealing is therefore prohibited and subject to sanction.

Who is concerned?

The main people concerned are the Group[1] senior executives, as they are likely to have permanent access to "inside information" due to the nature of their responsibilities. The rules on insider dealing also apply to Group senior managers and employees who have regular or occasional access or who may have access to "inside information" or sensitive information in the course of their employment, in particular those working in support functions such as finance and accounting, strategy and business development, legal, communications, investor relations, etc.

What securities are concerned?

Insider dealing only concerns listed securities, such as shares, bonds, options (call or put) or forward equity contracts, etc. issued by French or foreign companies. For Group senior executives and employees, the risk of insider dealing mainly concerns securities issued by the Group's listed companies or related companies to the extent that working for the Group gives them access to "inside information" about the Group and its affiliates. However, the risk exists broadly for securities issued by all listed companies. Great care should be taken, for example, when buying or selling shares in the Group's listed competitors or companies with which the Group does business.

(1) In this Compliance Programme, the term "Group" or "Bouygues group" refers to Bouygues SA and all the companies and entities governed by French or foreign law directly or indirectly "controlled" by Bouygues SA. The concept of "control" is that defined in the provisions of Articles L. 233-3 and L. 233-16 of the French Commercial Code (Code de Commerce) and accordingly covers both de jure and de facto control. The principles set out in this Programme apply automatically to all companies or entities that are "jointly controlled".

Who is responsible for enforcement and how?

Insider dealing offences are very unlikely to go unpunished. The AMF *(Autorité des Marchés Financiers)* and the regulatory authorities in other countries supervise the financial markets closely. They also cooperate closely to identify any suspicious trading in the shares of a listed company and take action against potential offenders. Buying or selling the shares from abroad – i.e. through a foreign company or by using funds transiting through a foreign bank account – is still an offence and does not exonerate the offender from any liability. Listed companies in France are now required to draw up lists of names and send them to the AMF on request, which helps to identify offenders. In France and in other countries, insider offences are severely punished. Offenders are often ordered to pay very heavy financial penalties and may even risk imprisonment.

CHAPTER I
REMINDER OF THE RULES

1 DEFINITION OF "INSIDE INFORMATION"

"Inside information" is information which is precise, not publicly disclosed, relates directly or indirectly to an issuer or a listed security and would, if publicly disclosed, be likely to have a significant effect on the share price.

Information is considered "precise" if it relates to a past or likely future event or set of circumstances, the disclosure of which is likely to generate a reaction from investors.

Information would be "likely to have a significant effect on the share price" if it is information that a reasonable investor would be likely to use as part of the basis of his investment decisions.

"Inside information" may but does not necessarily always include, and is not limited to, the following:

- material acquisitions or mergers;
- material disposals of equity interests or assets;
- financial transactions, such as capital increases or public offerings;
- a significant difference between the information disclosed to the market and the most likely outcome;
- financial information (including full-year, half-year and quarterly sales and results);
- proposed dividend and ex-dividend date;
- negotiation of strategic agreements;
- negotiation of material contracts with customers or suppliers;
- launch of new products or services;
- restructuring plan;
- change of governance structure, including a change of senior executive;
- occurrence of major damage or the initiation of an investigation likely to have an important effect on the Group.

"Inside information" may concern Bouygues SA directly or indirectly, for example information about an important event or a significant transaction affecting one of its subsidiaries, or a market phenomenon not yet known to the public such as a significant increase in a commodity price.

It ceases to be "inside information" when announced publicly by Bouygues SA or disclosed by a third party who possessed the "inside information".

2 TRADING RESTRICTIONS

Anyone who possesses "inside information" should not do any of the following until such time as the information has been made public:

2.1 Trade or attempt to trade in Bouygues SA securities or the securities of another company affected by the "inside information" either on their own behalf or for someone else.

It is strictly prohibited for insiders to trade in Bouygues securities (shares, or securities giving access to share capital, etc.) and, in particular to:

- buy Bouygues securities;
- sell Bouygues securities, including shares obtained from exercising stock options or shares held on a securities account or French equity savings plan (PEA);
- totally or partially liquidate assets invested in Bouygues shares under the Group's employee savings scheme (PEE);
- tender Bouygues securities to a company;
- exercise stock options.

As an exception to this rule, regular monthly payments made by employees to the Group's employee savings scheme are permitted, but no exceptional payments may be made during blackout periods.

Insiders must not trade in the securities of any other company affected by the "inside information":

- securities in another listed company with which Bouygues SA or a Group company has, for example, entered into a merger agreement or a material contract (e.g. a Bouygues Construction employee buying securities in a listed company with which Bouygues Construction has just signed a material contract not yet announced to the public);
- securities in a listed subsidiary of Bouygues SA which is, for example, on the brink of acquiring a company or major asset (e.g. a Bouygues SA employee buying TF1 securities just before TF1 finalises the acquisition of a major company).

Senior executives and employees of the Group must be extremely careful when instructing their bank to execute complex buy or sell orders in the stock market – such as limit orders and orders with a predefined range of prices – or orders that are executable over a period exceeding one trading day: in such cases, these transactions could be executed automatically during a blackout period without the person being able to prevent it. It is up to the relevant senior executive or employee to revoke an order in timely fashion to avoid this happening.

2.2 Disclose the "inside information" to a person outside the normal course of their work, employment or functions (which means that the information may only be shared with those persons authorised by the company to have access to it).

All persons with access to "inside information" must strictly refrain from disclosing it to another person, including other Group employees, other than in the normal course of their functions within the company.

They must notably refrain from disclosing the information to connected persons such as a spouse, other family members, and friends. This confidentiality requirement must be observed scrupulously. Any breach could be considered as an insider offence and, the offender will be liable to very heavy financial penalties.

2.3 Disclose the "inside information" for a purpose other than the purpose for which it was given (e.g. a Human Resources manager who has received information about the disposal of a subsidiary for the purpose of consulting and obtaining the opinion of the employee representative bodies must not disclose that information to a colleague for the purpose of anticipating the consequences of the disposal on the pay system).

2.4 Advise someone else or get someone else to trade in the relevant securities.

3 RESTRICTED PERSONS: INSIDERS

Trading restrictions apply to anyone who has "inside information" at any given time and, in particular, as a result of:

- their membership of the administrative, management or supervisory bodies of Bouygues SA;
- their holding in Bouygues SA's share capital;
- their access to information in the course of their functions or, more generally, their work (e.g. involvement in preparing a significant transaction).

Stock market regulations take a very broad definition of restricted persons, meaning anyone who has information which they know or ought to know is "inside information" (i.e. anyone aware that they may have inside information, for example an assistant working in a finance department involved in a significant plan to carry out an acquisition, is considered to be aware that the information he or she is handling is sensitive and to know what the resulting requirements are).

In the case of a legal entity (company), the trading restrictions also apply to the individuals involved in or who may come to know about the transaction on behalf of the legal entity concerned.

4 INSIDER LISTS

As required by the regulations, Bouygues SA keeps an up-to-date list of employees with access to "inside information" as well as third parties acting on its behalf who have access to "inside information" in the course of their business relationship with Bouygues SA.

In practice, Bouygues SA draws up and regularly updates:

- a permanent insider list containing the names of senior executives of the parent company who in the course of their work have permanent access to all "inside information";
- one or more occasional insider lists containing the names of all senior executives and employees of the parent company and subsidiaries, and all third parties (investment banks, lawyers, etc.) who have access to specific, clearly identified inside information.

Bouygues SA has a committee responsible for assessing and determining whether information meets the criteria for being qualified as inside information.

Once a transaction or event has been qualified as inside information, the

committee draws up a list of those occasional insiders involved.

It is therefore important that when, for example, a subsidiary is considering or negotiating a transaction that might be considered as inside information, it should refer to the Group General Counsel to check whether it needs to draw up an occasional insider list.

Bouygues SA informs the relevant persons that their name is on the list and reminds them, at inception, of the rules on holding, disclosing and using "inside information" rules (trading restrictions, confidentiality obligation, etc.) and the sanctions imposed in the event of a breach.

The insider lists are kept for at least five years after they have been drawn up or updated by Bouygues SA. They will be sent to the AMF upon request.

This regulatory requirement is intended to help the AMF in identifying and investigating any breaches of the insider rules.

That said, it is possible for an employee to have inside information (and therefore be subject to the trading restrictions) without appearing on an insider list. This could be due to a delay in notifying the employee that his or her name has been registered on an occasional insider list, or to an over-restrictive assessment by the committee when drawing up the list, or for any other reason. Senior executives and employees must therefore remain vigilant at all times and, prior to any transaction, determine whether or not they are in possession of inside information and, therefore, whether they are allowed to carry out such a transaction.

For example, great care should be taken by anyone involved in negotiating the acquisition of a company or who knows that a financial transaction or investigation is about to take place, the announcement or disclosure of which would be likely to have an effect on the share price of Bouygues SA or that of any other company involved.

This duty of strict care and attention also applies to members of the Board of Directors as soon as they have been informed of a financial transaction, the announcement of which would be likely to have an effect on the share price of Bouygues SA or that of any other company involved.

5 SANCTIONS

5.1 Criminal sanctions

Violation of the trading restrictions can be a criminal offence (insider dealing) subject to the following penalties:

- five years' imprisonment and a fine of €100 million or up to ten times the gain made and in any event no less than the gain made.

5.2 Administrative sanctions

In the event of a violation of these trading restrictions, the AMF may impose a financial penalty of up to €100 million, or if a gain is made, ten times the gain made.

CHAPTER II
BLACKOUT PERIODS AND PREVENTING INSIDER DEALING

1 INTRODUCTION

1.1 Types of trading covered

Anyone who has inside information about Bouygues SA must not trade in Bouygues SA securities until that information has been made public. This general requirement applies to anyone who has inside information at any time, whether or not that person's name is on an insider list.

Apart from the above restriction, **as part of the prevention of insider dealing**, certain persons are not permitted to trade in Bouygues securities during certain clearly identified periods, commonly known as blackout periods.

2 RELEVANT PERSONS

Persons not permitted to trade during blackout periods are listed by Bouygues SA and informed of their obligations.

In practice, in accordance with the regulations, Bouygues SA draws up and regularly updates a list of persons with executive responsibilities (list of senior executives), who are not permitted to trade during blackout periods. It also draws up its own internal list of employees who, in the course of their employment, may have regular or occasional access to inside or sensitive information (list of equivalent persons). Persons on both of these lists will be informed by email or post about the trading restrictions applicable to them during blackout periods. The lists cover senior executives and employees of both Bouygues SA and its subsidiaries.

3 BLACKOUT PERIODS AND TRADING RESTRICTIONS

Blackout periods are determined on the basis of Bouygues SA's financial calendar. Blackout periods prior to publication of the financial statements and sales are as follows:

- 30 calendar days prior to publication of the full-year or half-year financial statements;
- 15 calendar days prior to publication of the first-quarter and third-quarter financial statements and quarterly sales (at present, quarterly sales are published on the same day as the financial statements).

During these periods, relevant persons are subject to the same trading restrictions as insiders (see chapter I).

However, a senior executive or employee may, exceptionally for reasons of serious financial difficulties, apply for authorisation from Bouygues SA to sell shares during those periods. Applications should be made in writing giving reasons for the request, accompanied by supporting documents and sent by mail or post

to the General Counsel (for the attention of Arnauld Van Eeckhout) and the Deputy CEO (Philippe Marien) of Bouygues SA. The applicant must be able to demonstrate that the request for authorisation is due to urgent, unforeseeable and imperative circumstances, which must be outside the person's control and motivated by the need to sell shares in order to meet an unavoidable financial commitment. In principle, Bouygues SA will reply within three days, and in any event no more than five days, after receiving the application.

Bouygues will ensure that the conditions for authorisation are met, mainly by checking that the financial commitment actually exists and that selling Bouygues SA shares is the only way it can be met.

Lastly, it should be noted that regular monthly payments made by employees to the Group's employee savings scheme are permitted during the blackout periods, but no exceptional payments may be made. Likewise, employees required to make a choice of payment or a transfer into the employee savings scheme in respect of their voluntary or compulsory profit-sharing entitlement, or at the end of the lock-up period for a leveraged share ownership plan (such as Bouygues Confiance or Bouygues Partage) during a blackout period, are authorised to do so.

4 ANNUAL SCHEDULE OF BLACKOUT PERIODS

Bouygues SA publishes its financial reporting dates and corresponding blackout periods each year and posts them on the Bouygues group intranet site (ByLink).

A copy of the schedule is sent by email or by post to everyone on the insider lists each year or when they are registered on the list.

Anyone wishing to trade in Bouygues securities is invited to consult the blackout period schedule on ByLink before carrying out a transaction.

CHAPTER III
SPECIFIC REQUIREMENTS APPLICABLE TO PERSONS WITH EXECUTIVE RESPONSIBILITIES

1 TRANSACTIONS PROHIBITED AT ALL TIMES

Executive officers of Bouygues SA (Chairman and CEO, CEO, Deputy CEO) are not permitted to hedge their stock options at any time.

2 INFORMATION AND TRANSPARENCY REQUIREMENTS

2.1 Reporting certain transactions to the AMF

Directors and executive officers of Bouygues SA, the Group's senior non-executive managers registered on the restricted list of persons with executive responsibilities (see the list of senior executives, chapter II, section 2), and any connected persons closely associated with them are required to notify the AMF and Bouygues SA of any transaction involving the buying, selling, subscribing for and/or exchange of listed securities issued by Bouygues SA or related listed securities, whether directly or through an intermediary.

Persons on the list of senior executives are required to inform Bouygues SA of the persons who are closely associated with them so that Bouygues can draw up and update the list of those persons. Relevant persons are invited to contact Bouygues SA's Legal department for further information.

By exemption, transactions up to a cumulative amount of €20,000 per calendar year do not have to be reported. The threshold is calculated by aggregating all transactions made by the relevant person and any connected persons.

Notification should be sent electronically by the relevant persons to the AMF no later than three business days after the date of the transaction.

Relevant persons are invited to contact Bouygues SA's Registered Share department for assistance with this notification.

2.2 Requirement for executive officers and connected persons to hold shares in registered form

Executive officers of Bouygues SA (Chairman and CEO, CEO and Deputy CEO), their non-legally separated spouses, and dependent minor children are required to hold their Bouygues shares in registered form.

Shares may be registered either on an administered account (administered registered shares) held with a bank or other intermediary or on a securities account (pure registered shares) held directly with Bouygues SA. The

purpose of registration is to make it easier to identify the shareholders and trace their share dealings.

Shares must be transferred to registered form within 20 days of the effective ownership date.

Anyone who becomes a senior executive or the spouse of a senior executive must register their shares within one month of obtaining that status in order to regularise their situation.

Relevant persons are invited to contact Bouygues SA's Registered Share department for assistance in registering their shares.

CHAPTER IV
OTHER REQUIREMENTS TO ENSURE THAT THE BOUYGUES GROUP COMPLIES WITH THE RULES ON INSIDER DEALING

1 COMPLIANCE WITH QUIET PERIODS

The quiet period is the period preceding the announcement of full-year, half-year and quarterly results.

During this period, precautions should be taken to protect the Bouygues group, its senior executives and employees, as well as the financial community, against the risk of information "leaks" that could lead to insider dealing offences being committed before the results are announced.

The Group has set the quiet period at 30 days prior to publication of results.

During the quiet period, the Bouygues group, its senior executives and employees, particularly those responsible for financial communication, must not disclose information about or comment directly or indirectly on the forthcoming results announcement to the financial community (shareholders, investors, financial analysts, media, etc.). As far as possible, all relevant persons are advised not to arrange or agree to meetings with shareholders, analysts, investors or the media during quiet periods.

Discussions with rating agencies are permitted during the quiet period subject to obtaining a written confidentiality agreement and provided that the agencies are registered on Bouygues SA's list of equivalent persons and have been advised of the resulting confidentiality requirements and trading restrictions during the relevant blackout period.

2 DUTY TO RESTRICT ACCESS TO INSIDE INFORMATION

All Group entities, their senior executives and employees must protect and take precautions to restrict access to and circulation of "inside information".

All Group entities should adopt the following practices at all times:

- restrict the number of employees and external advisers involved in considering, negotiating and entering into a transaction that constitutes "inside information", as well as the number of participants in meetings at which "inside information" is likely to be discussed;
- restrict access, through confidential user IDs, to PCs, laptops, tablets or smartphones used by senior executives and employees likely to contain correspondence or files containing "inside information";
- give a code name to all transactions that constitute "inside information";

- open a data room only to third parties who have expressed a serious interest in the proposed transaction and require them to first sign a confidentiality agreement;
- get any third party, for example a service provider, or any other person involved in any way whatsoever with the publication of "inside information", to sign a confidentiality agreement;
- warn members of the employee representative bodies that the strictly confidential information provided to them as part of an information and consultation procedure is considered to be "inside information".

3 DISCLOSURE OF "INSIDE INFORMATION"

The publication and circulation of "inside information" about the Group is critical. Any shortcomings in the publication and circulation of information can potentially be used by a third party for insider dealing purposes.

To prevent such risk, Bouygues SA:

- publicly discloses all "inside information" about the Group as soon as possible;
- ensures that everyone involved in circulating "inside information", and in particular the external service providers that the Group might use, are told immediately that they are being given "inside information" and are advised of the duties, obligations and restrictions applicable to persons in possession of such information;
- circulates "inside information" simultaneously, in other words makes it available to all investors, whether French or foreign, at the same time.

More generally, Bouygues SA defines and implements adequate internal procedural rules to ensure that "inside information" about the Group is published and circulated in accordance with the regulatory requirements in force.

3.1 Financial information on the Group

Financial information on the Group – i.e. results, financial situation, business activities and outlook – is particularly important as it constitutes the main basis for investor decisions on buying or selling Bouygues SA securities. Financial information on the Group must therefore be published and circulated in accordance with strict rules that are known by everyone.

These rules require all Group senior executives and employees to comply with the following principles:

- Bouygues SA has sole responsibility for the publication and circulation of financial information about the Group;
- the Group's financial communication is the sole responsibility of the Chairman and CEO of Bouygues SA, the Deputy CEOs, the Business segment[1] senior executives designated by Bouygues SA, as well as the Group Investor Relations director, the Group Corporate Communications director and their close employees involved in the Group's financial communication process;

(1) In this Compliance Programme, the term "Business segment" refers to each of the main activities of the Group, which are, as of the date hereof, "Construction" (Bouygues Construction), "Property" (Bouygues Immobilier), "Roads" (Colas), "Media" (TF1) and "Telecoms" (Bouygues Telecom).

- no other senior executive, employee or department not entrusted with that responsibility may take any part in the Group's financial communication;
- only those persons in charge of the Group's financial communication are authorised to disclose information about the Group's results, financial situation, business activities and outlook to investors, financial analysts, rating agencies, media and French (AMF) or foreign financial regulators, using the means they deem appropriate.

3.2 Information published and circulated by subsidiaries

Information about a subsidiary which would, if publicly disclosed, be likely to have a significant effect on the Bouygues share price is "inside information". Each Business segment should automatically contact the Investor Relations department and/or the Group Communications department to check whether the information it intends to publish about one of its subsidiaries or the Business segment itself is likely to influence the Bouygues share price.

When publishing and circulating information, subsidiaries should comply with the following principles:

- all the information referred to below should always be published before the opening or after the close of a Paris stock exchange trading session;
- listed subsidiaries of the Group should publish and circulate, publicly, "inside information" and financial information about them in coordination with Bouygues SA, which will ultimately decide in what order the information will be disclosed. In particular, they will take part in drawing up the Group's financial reporting calendars which, once approved by Bouygues SA, must be observed by everyone. Unlisted subsidiaries of the Group must not publish or circulate their own financial information as it forms part of Bouygues SA's financial communication process;
- non-financial information about a Group subsidiary, which is important at Group level (e.g. announcement of a material contract, launch of new products, services or commercial offers, announcement of a significant merger or acquisition) must be published or circulated by the subsidiary in French and English after close consultation with the Group Investor Relations and Group Communications departments. These two departments must be informed within a sufficient timeframe to propose amendments and prepare answers to potential questions that may be asked by the media, financial analysts, etc.

4 PROHIBITED PERIOD FOR STOCK OPTION AWARDS

In accordance with the Afep-Medef (French Association of Private Companies/French Employers' Federation) Code recommendations, Bouygues SA ensures that stock option awards are made at the same time each year, preferably after publication of the first-quarter financial statements.

In any event, Bouygues SA must not award stock options during the following periods:

- during the ten trading sessions before and after the date on which the consolidated financial statements are published;
- from the date on which the company's governing bodies are made aware of the "inside information" until ten trading sessions after the information has been made public;
- less than 20 trading sessions after an ex-rights date relating to the shares.

5 SUSPENSION OF THE COMPANY'S SHARE BUYBACK PROGRAMME

Bouygues SA will immediately suspend its share buyback programme during blackout periods.

It also refrains from trading in the securities of any of its listed subsidiaries during the subsidiary's blackout periods.

6 NO PRICE MANIPULATION

The Group's Finance departments must ensure, in all circumstances, that they observe the applicable stock market regulations when trading in the securities of the Group's listed companies and, more generally, in the securities of any French or foreign listed companies. They must not manipulate the share prices of said listed securities in any way.

CHAPTER V
DUE CARE AND ADVICE REQUIREMENTS

Senior executives and employees are solely and entirely responsible for their decision to trade in Bouygues SA securities or the securities of a listed subsidiary and they should make sure that they comply strictly with all the rules and regulations.

Given the complexity of stock market regulations, they are advised to take all due precautions and obtain advice (e.g. from an external lawyer) before trading in Bouygues SA securities or the securities of its listed subsidiaries.

They may also consult the Group General Counsel in the event of doubt or query about the provisions of this Programme.

CHAPTER VI
WHISTLEBLOWING FACILITY

Senior executives or employees who become aware of a potential breach of the stock market regulations may inform the Business segment or Group Ethics Officer using the whistleblowing facility provided for in the Group Code of Ethics.

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DISCLAIMER

This document gives an overview of applicable French regulations as at 1 June 2017. Any updates shall be made available exclusively on the Group's intranet.

2014 • Updated: September 2017

The Bouygues group's Code of Ethics and Compliance Programmes (Competition, Anti-corruption, Financial Information and Securities Trading, Conflicts of Interest, and Embargoes and Export Restrictions) are available on the Group intranet (ByLink).

BOUYGUES

EMBARGOES AND EXPORT RESTRICTIONS

COMPLIANCE PROGRAMME

BOUYGUES

CONTENTS

EDITORIAL

At a time when the Group is stepping up its development outside France and globalisation has become a reality, it is vital that our Group companies strengthen their policies and procedures to effectively prevent any violation of the rules on economic sanctions, embargoes and export restrictions.

This Embargoes and Export Restrictions Compliance Programme is intended primarily for senior executives and sales staff working in international markets, as well as buyers, in-house lawyers and financial teams involved in international business.

I would particularly like to draw the attention of all senior executives of the relevant entities to the complexity of these issues and their responsibilities in this area. I urge them to read this Programme carefully, to circulate it widely among the employees concerned and make sure that its rules on prevention and control are implemented effectively.

Everyone must understand that this Programme, in addition to avoiding the risk of heavy penalties, is part of a broader compliance approach desired not only by the Group but also by our main partners – bankers, insurers and investors – who support us in our international development. Our Group must comply with these regulations if we want to retain their trust and confidence.

It is impossible to describe all the regulations, which cover countries, political regimes, persons, assets and technology. This Programme therefore sets out a number of rules and procedures to be adopted and implemented at the level of the relevant Group entities to ensure that we comply with the applicable regulations. It describes the main financial and economic sanctions affecting international trade, and, through a few practical examples, illustrates how to gain an effective grasp of these complex issues.

Martin Bouygues
Chairman and CEO

OVERVIEW

What are embargoes?

Embargoes are **restrictive measures intended to weaken countries or political regimes that represent a threat to international security** by prohibiting all financing and trade with them. Embargoes may also be imposed to enforce more ethical practices in international trade by prohibiting all relationships or links with entities or persons involved in unlawful activities, such as terrorism, narcotics trafficking and money laundering, etc.

Who imposes embargoes?

Embargoes are mainly imposed by the United Nations. They are usually implemented at European Union level or in national regulations. Some countries, such as the United States, also impose their own restrictions (which are known as unilateral restrictions).

Who has to comply with these restrictions?

The regulations apply to everyone – entities and individuals, etc. Embargoes and export restrictions form an integral part of the law and must be complied with in the same way as any other law or regulation. All relevant Group companies or departments and all managers must therefore be familiar with the regulations that apply to them depending on their nationality, place of residence, sector of activity or geographical area in which they operate. This is never an easy task as the regulations on embargoes and export restrictions are technical, liable to change and cumulative. Their scope of application is extremely vast. US regulations do not just apply to US companies and citizens, and European regulations apply to all European companies and citizens, even outside the European Union.

Do the regulations on embargoes affect the Group as much as anyone else?

The US authorities have recently imposed penalties on large banking groups, which could mistakenly lead industrial and services groups to believe that they are less exposed to these regulations and their resulting penalties. The authorities make no secret of the fact that the multinationals are their prime "target". They are not only presumed to have the means and resources to implement adequate prevention measures, but it is also believed that they can positively influence the behaviour of their own suppliers and sub-contractors through their compliance policies. Due to the global nature of its operations (including the United States) and its status as a lead contractor in the construction industry, the Group is clearly concerned by the need to comply with these regulations.

Which Group employees are more particularly exposed to these issues?

Senior executives and employees working abroad or trading with foreign countries are the main people affected by embargoes and, more particularly, those who are US citizens or who live or are based in the United States ("US Persons"), or who work for an entity classified as a US Person, even outside the United States. Employees and senior executives working in purchasing must play an important role in prevention, by integrating embargo and export restriction compliance issues in their purchasing processes. It should be remembered that all senior executives of relevant entities and departments, including the parent company, are directly exposed in the event of a breach of the applicable regulations.

For example, in September 2015, the US Department of Justice (DoJ) extended its repressive policy beyond merely imposing fines, by targeting individuals and imposing on them heavy penalties when they violate the regulations either actively or passively by "shutting their eyes" to a violation. The DoJ believes that imposing penalties on individuals has a deterrent effect and a positive influence on the behaviour of companies and their senior executives.

What precautions should be taken?

All relevant Group companies should have an effective prevention policy to avoid the risks related to economic sanctions, embargoes and export restrictions. They are technically so complex that certain employees should be given specific responsibility for knowing and understanding the regulations and making sure they are complied with, particularly through training. In-depth due diligence must be carried out before initiating a project, opening a business operation in a country or engaging in business with customers or partners (Know Your Customer or KYC procedures).

Any checks carried out should be kept on file as proof of the measures taken to comply with the regulations. When carrying out a project, the time required to carry out these procedures and obtain any licences required from the competent authorities must also be factored in.

Who enforces the regulations? What are the risks involved?

The administrative and judicial authorities in each country have jurisdiction to enforce their rules on embargoes and export restrictions and to prosecute offenders. The US authorities, in particular the Office of Foreign Assets Control (OFAC) and the Department of Justice (DoJ), take very active measures to enforce their regulations. They have recently imposed extremely heavy fines on European banks involved in financing embargoed countries, regimes or sanctioned persons.

All countries can take whatever legal action they consider appropriate and offenders can be prosecuted for the same offence in several jurisdictions. Within the same jurisdiction, an offender can be prosecuted for the same offence by several different

authorities (for example, violation of economic sanctions plus violation of the banking regulations).

Senior executives and employees of companies are also personally liable to heavy penalties: in the United States, fines imposed frequently exceed USD1 million and prison sentences can be up to 20 years.

In March 2016, the United Kingdom set up the Office of Financial Sanctions Implementation (OFSI), a similar body to OFAC responsible for "tracking down" violations and enforcing the regulations. The Policing and Crime Act 2017 has significantly increased the potential penalties for breach.

French lawmakers are also considering making embargo violation a specific offence in the French Criminal Code and increasing the potential fines and penalties.

How to deal with breaches of the regulations?

Senior executives and employees must **always react** when they witness or become aware of a breach of the regulations. "Shutting one's eyes" or "favouring gain over compliance" can never be tolerated, especially as some authorities, particularly in the United States, apply a strict liability policy, which in practice means that they can impose penalties on anyone they believe reasonably "ought to have known".

Are embargoes still a relevant issue?

The legal action recently taken in France against the Lafarge-Holcim group, suspected of violating the Syrian embargo, and the risks faced by the Siemens group following the illegal shipment of turbines to Crimea that were intended for the Russian market, illustrate just how sensitive and serious these issues are for the large international groups.

All companies owe a duty of permanent care and attention as regards these issues. Compliance with embargoes and export restrictions is a challenging issue not only because the regulations are so complex but also because embargoes and export restrictions are usually lifted gradually and can be restored very quickly and suddenly. For example, sanctions have been eased in Cuba following discussions initiated by the Obama administration, and in Iran as a result of negotiations with the major world powers. Even though restrictions and sanctions against both countries have been eased, the authorities are very clear that the embargoes against them remain in place and the sanctions relief can be reversed at any time under the so-called "snap back" clause in the agreements reached with them. At the end of July 2017, the US Congress adopted a law enabling stepping up of the sanctions regime against Iran, Russia and North Korea.

The US President has just asked his administration to tighten up restrictions against Cuba. New sanctions have been imposed (Crimea), mainly in the form of a list of sanctioned individuals and entities. Others have been lifted after a "suspension" period (Myanmar). Lists of sanctioned entities and individuals are updated regularly as names are added or removed. All our companies and departments that trade in or with foreign countries must have employees with specific responsibility for being knowledgeable of with and monitoring these regulations. **All relevant senior executives must heed their warnings and recommendations before taking a decision.**

LIST OF COUNTRIES SUBJECT TO SANCTIONS AND OTHER SANCTIONS PROGRAMMES

Geographical area (Regime)	UN	US	EU
Afghanistan (Taliban)	X		X
Balkans (persons threatening peace and stability in the Western Balkans)		X	X (Bosnia and Herzegovina, Serbia, Montenegro)
Belarus		X	X
Burundi (specific individuals)		X	X
Central African Republic	X	X	X
China			X
Cuba**		X	
Democratic Republic of Congo	X	X	X
Egypt (former regime)			X
Eritrea***	X		X
Guinea			X
Guinea Bissau	X		X
Iraq	X	X	X
Iran**	X	X	X
Lebanon (Rafik Hariri assassination)	X	X	X
Libya (former regime)	X	X	X
Myanmar		Until 8/10/2016	X*
North Korea	X	X	X
Somalia***	X	X	X
Sudan	X	X	X
South Sudan	X	X	X
Syria	(ISIL – Al-Qaeda)	(ISIL – Al-Qaeda)	X
Tunisia (former regime)			X
Ukraine (Crimea) – Russia		X	X
Venezuela		X	
Yemen	X	X	X
Zimbabwe		X	X

(cont. on page 7)

Other programmes	UN	US	EU
International terrorist group	X	X	X
Narcotics trafficking		X	
Non-proliferation		X	
Cybercrime		X	
Rough diamond trade		X	
Transnational criminal organisations		X	

Lists updated on 7 August 2017.

(*) The European embargo on arms and equipment that might be used for internal repression remains in effect (renewed until 30 April 2018 by decision of the CFSP 2017/734 of 25 April 2017).
(**) Sanctions regime recently eased/suspended, currently being re-established/tightened up by the US authorities.
(***) Somalia and Eritrea come under the same UN sanctions programme.

For further information on sanctions and an update on European Union sanctions, please see the table published by the French Treasury entitled "Récapitulatif des mesures restrictives par pays" http://www.tresor.economie.gouv.fr/sanctions-financieres-internationales (available in French only).

Disclaimer

Measures to impose, suspend, rescind or restore embargoes and export restrictions change frequently. Extra care should therefore be taken and information provided on the websites of the competent authorities listed in chapter V, page 40, should be consulted regularly.

CHAPTER I
EXPORT COMPLIANCE – EMBARGOES: WHAT TO DO

Faced with the growing complexity of regulations on embargoes and export restrictions, and to ensure compliance with law, companies that operate internationally and, in particular, those whose business activities are subject to US regulations, must adopt and implement adequate procedures to make sure that they comply at all times with the relevant regulations.

The procedures recommended in this Embargoes and Export Restrictions Compliance Programme (hereinafter the **"Compliance Programme"** or **"Programme"**) are not intended to be comprehensive. They constitute a "benchmark" for Business segments[1] that operate and/or intend to expand internationally.

While all Business segments must make sure that they comply with all applicable economic restrictions and embargoes, due to the complexity of US rules, Business segments operating in the United States, entities belonging directly or indirectly to a US Person and entities subject to US jurisdiction must strengthen their procedures with additional rules to cover specific US requirements.

1 INCLUDING EMBARGO AND EXPORT RESTRICTION RISK IN BUSINESS DEALINGS

Compliance with international embargoes and export restrictions is an essential component in the business conducted by the Group[2]. It contributes to upholding the principles of respect for the law and, more importantly, the integrity and honesty of our Group's business activities, principles which are set out in our Code of Ethics.

In general, embargo and export restriction risk is factored in by the relevant Business segments in the conduct of their business and, in particular, in their international strategy and development. This means carrying out the following checks and due diligence before doing business:

- **Geographical and sector analysis:** is the country (or one of its regions) subject to an embargo or targeted sanctions? Do these sanctions apply to all or just part of its business operations? Have these sanctions been totally or partially suspended? Has a general licence been issued? Has

(1) In this Compliance Programme, the term "Business segment" refers to each of the main activities of the Group, which are, as of the date hereof, "Construction" (Bouygues Construction), "Property" (Bouygues Immobilier), "Roads" (Colas), "Media" (TF1) and "Telecoms" (Bouygues Telecom). (2) In this Compliance Programme, the term "Group" or "Bouygues group" refers to Bouygues SA and all the companies and entities governed by French or foreign law directly or indirectly "controlled" by Bouygues SA. The concept of "control" is that defined in the provisions of Articles L. 233-3 and L. 233-16 of the French Commercial Code (Code de Commerce) and accordingly covers both de jure and de facto control. The principles set out in this Programme apply automatically to all companies or entities that are "jointly controlled".

a specific licence been applied for and obtained from all the competent authorities?

- **Identification of the parties involved in the transaction:** who is directly or indirectly involved in the project (trade partners, customers, intermediaries, suppliers, sub-contractors, financial institutions, insurers, investors, etc. – hereinafter referred to as **"Partner(s)"**)? Are those Partners (name and alias) subject to sanctions? Are they related to sanctioned individuals or entities (capital ties, etc.)? Are any US Persons (US citizens, permanent resident aliens, companies existing or organised under US law and their foreign subsidiaries, US financial institutions, persons within the United States) directly or indirectly involved in the project?
- **Identification of the products, technology and goods involved in the transaction:** does the project involve any US-origin goods and technology (including components) subject to restrictions or dual-use (civil and military) goods or technology? What is the origin of the goods? Who transported them? Where are they stored? Which country or countries did they transit through? What is their final destination and end use?

This analysis should be performed ahead of any project, transaction, agreement, commercial operation, contract tender, investment or deal (hereinafter referred to as **"Project(s)"**). It should be repeated regularly during the Project and immediately in the event of a change of circumstances liable to affect the legality of all or part of the Project.

It should also be performed in greater depth prior to entering into an agreement or preliminary agreement (in particular a Memorandum of Understanding), tendering for a contract, opening a new business operation, making an investment or engaging in a financial transaction likely to involve (i) an embargoed country (or region), (ii) a sanctioned individual or entity, or (iii) goods and technology subject to restrictions.

Embargo and export restriction regulations change regularly and Business segments should therefore constantly monitor legal and regulatory developments in this area. They should pay particular attention to temporary or partial lifting of sanctions, the possible revocation of licences or authorisations by the authorities, changes to lists of sanctioned individuals and entities as well as changes affecting their Partners (merger, change of control, etc.).

2 DUTIES OF UNDERSTANDING AND CARE

Relevant Business segments are bound by a duty of permanent understanding and care in embargo and export risk management.

2.1 Duty of understanding

Everyone must be aware that violating embargoes and/or export restrictions is a serious offence liable to heavy penalties and other negative consequences for the legal entity, which can be aggravated by the fact that, in the United States for example, legal action may be taken by several different regulators for the same offence.

Any violation of embargoes and/or export restrictions could have extremely serious consequences for the Group, including:

- restricting its access to bank loans and investors;
- restricting its access to insurance or resulting in the insurer's refusal to pay a claim;
- restricting its access to public procurement contracts;
- limiting its ability to conduct its business (appointment by the legal authorities of a third party to supervise its activities);
- harming its reputation as a result of the massive media interest in such affairs;
- limiting its resources through very heavy fines.

Everyone must also be aware that individuals who violate the regulations could be liable to very severe criminal penalties (imprisonment and fines) as well as disciplinary action.

2.2 Duty of care

The following indicators are red flags that should lead the Business segment and any entity reporting to it to ask for clarification from the Partner concerned (customer, supplier, sub-contractor, trade partner, intermediary, etc.) and, if it cannot be obtained, to abandon the proposed or pending transaction:

- absence of certificate of origin or provenance of the goods;
- supplier's refusal to provide representations and warranties as to the origin and provenance of the goods;
- customer's refusal to disclose the final destination or end use of the goods;
- use of nominees;
- use of hubs notorious for reconditioning goods from embargoed countries;
- inability to identify a Partner's shareholders and beneficial owners;
- a Partner's use of "exotic" entities (for example, trusts, *fiducies*, foundations) intended to disguise the identity or owners of a legal entity;
- documents with serious evidence of falsification or major omissions;
- Partner notorious for having economic and financial links with embargoed countries or political regimes or with sanctioned individuals and entities.

The Business segment must have adequate procedures to ensure that no red flags are raised either at the time the transaction is initiated or during its lifetime. It must have adequate systems for reporting any red flags to the Business segment Compliance Officer.

The sanctions risk analysis must be updated in the event of any legal changes to the Partner's structure during the business relationship (new shareholders, merger, etc.).

3 RESPONSIBILITY OF SENIOR EXECUTIVES – INFORMATION

The senior executives of relevant Group entities must always refrain from any practices that may violate international economic and financial sanctions or export regulations. They are responsible for implementing effective information, prevention, control and disciplinary measures in their entity, and must react promptly to any red flags raised.

The Business segment management bodies will be informed specifically about the existence and content of the Compliance Programme. The relevant senior executives will be reminded that they are expected to provide support and play an active role in fostering a compliance culture with regard to embargoes and export restrictions.

4 ROLE OF BUSINESS SEGMENT COMPLIANCE OFFICER

4.1 The Business segment Compliance Officer is the main reference and contact point within the Business segment concerned for senior executives for all questions or issues regarding compliance with embargoes and export restrictions. The Business segment Compliance Officer organises, supervises and coordinates the prevention, management and monitoring of embargo and export risk across the Business segment scope.

4.2 The Business segment Compliance Officer implements the principles and rules set out in this Programme at Business segment level, and in particular the system for reporting red flags to senior management of the Business segment, as described in section 6.5 below. If a Business segment has a permanent operation in the United States, the Compliance Officer liaises with its internal and/or external advisers to determine whether or not it is appropriate to appoint a Compliance Officer covering the United States territory, who will nonetheless report to and be supervised by the Business segment Compliance Officer.

4.3 The Business segment Compliance Officer sets up the system for monitoring embargo and export restriction regulations at Business segment level, drawing on the skills and expertise of the Legal departments. This system must include advising the persons concerned in the Business segment of all significant changes in regulations and the main sanctions imposed by the authorities that might affect the Business segment.

4.4 When a Business segment receives queries related to embargoes and export restrictions from a third party (authorities, banks, insurers), the Business segment Compliance Officer coordinates the response with other Group entities.

4.5 Business segment Compliance Officers review embargoes and export restriction compliance and risk annually with the Group Compliance Officer and, if necessary, make improvements to the rules and procedures in place within the Group.

5 INFORMATION AND TRAINING

5.1 Information

Each Business segment must take appropriate measures to make sure that everyone involved in its international development or anyone who, due to his or her geographical location, is more particularly exposed to embargoes and export restriction regulations, is aware of this Programme.

Information on sanctions and embargoes should be aimed primarily at, but not limited to, (i) employees working abroad (expatriates, employees with local status), and particularly those living or working in the United States or for a US Person or any entity subject to US regulations and/or jurisdiction, and (ii) employees working in International, Export, Purchasing, IT, Legal and Finance departments (**"Target Senior Executives and Employees"**).

The Business segment Compliance Officer informs Target Senior Executives and Employees notably through:

- memos on specific issues raised by the embargoes and export restriction regulations based on the Business segment's specific needs;
- prompt circulation of alert memos or updates (changes in regulations, sanctions imposed, recommendations, specific characteristics and features of countries where the Business segment operates or plans to operate);
- ongoing supply by the Business segment's Legal department of any information that may be required by Target Senior Executives and Employees; the legal function may if necessary call on the services of specialised external advisers and service providers.

5.2 Training

All Target Senior Executives and Employees, especially those involved in obtaining or negotiating contracts or purchases for their entity, must be knowledgeable of and understand the broad outlines of the embargoes and export restriction regulations, as well as the risks and penalties involved in the event of violation. Within a year of being hired or appointed, they will receive training in the prevention of embargo and export restriction risk, to be organised or approved by the Business segment Compliance Officer. With the relevant line management, the Business segment Compliance Officer will define the most appropriate method of training and frequency of refresher courses and risk assessment.

6 PREVENTION

6.1 Role and expertise of Legal departments

The Legal department of the head holding company of each relevant Business segment has an experienced in-house lawyer with sound knowledge of the regulations and issues related to embargoes and export restrictions. That lawyer provides advice to the operational and functional departments responsible for structuring and supervising international projects.

The Legal departments are made aware of embargo and export restriction risk prevention issues and receive regular training so that they can fulfil mission effectively.

The Business segment Legal departments are responsible for keeping copies of all authorisations obtained by the Business segment (licences, etc.), as well as studies, consultations, and conclusions of due diligence work carried out to prevent or manage embargo and export restriction risk. This shall ensure that the Group remains able to document and provide evidence of the compliance of its business dealings with the applicable embargo and export restriction laws and regulations.

6.2 Role and expertise of Sales departments

The Sales departments of each relevant Business segment must have employees who are familiar with embargo and export restriction risk and who update their knowledge of these issues regularly. Managers and employees of Sales departments should alert their Legal department if they identify a situation or factor that might put the Business segment and/or Group at risk of violating the embargo and export restriction regulations. They work closely with the Legal, Purchasing, IT and Finance departments to identify and prevent risks.

6.3 Role and expertise of Purchasing departments

The Purchasing departments of each relevant Business segment identify any products, technology or goods purchased or sold by the Business segment or used in products and services sold by the Business segment that are subject to export or re-export restrictions either under embargo and export restriction programmes or under regulations on dual-use goods. They draw up and regularly update lists of restricted products, technology and goods. Before preparing commercial proposals for customers, they work closely with the Sales and Legal departments. The Purchasing departments shall, if necessary, seek advice from the IT department or from external service providers and/or consultants to identify products, technology and goods covered by export restrictions.

6.4 Due diligence procedure

The due diligence work carried out by the Business segment to ensure that its business activities comply with sanctions and embargo regulations must be effective and justifiable to the authorities with the supporting documents.

With the relevant line managers, the Business segment Compliance Officer must therefore make sure that all entities systematically carry out appropriate prior due diligence when considering an investment, transaction, new business operation, contract tender or agreement that might expose them to embargo and export restriction regulations. This prior due diligence procedure should be based on a compliance checklist, including but not limited to:

- the departments and teams responsible for undertaking the due diligence;

- the extent of the procedures to be performed (KYC, sanctions lists to be checked, etc.);
- tools and resources (screening programmes, Business segment Legal department, external advisers and service providers, etc.) that can assist in the due diligence work.

A due diligence report, and all documents evidencing the lawfulness of the proposed Project (consultations, licences or authorisations, etc.) must systematically be kept on file by the Business segment in accordance with section 6.7 below.

6.5 Alert – Wrap-up meetings

The Business segment Compliance Officer organises and implements an adequate procedure at Business segment level to ensure timely reporting of the following information to Business segment senior management:

- **upstream:** any Project raising issues or questions about embargo and export restriction regulations;
- **during the Project:** any claim or objection by the authorities, third parties or Partners (in particular banks and insurers) with regard to a violation of the embargo and export restriction regulations, as well as any regulatory or other change that might have an impact on the legality of a transaction or all or part of the Project.

Embargo and export restriction risk must be **systematically addressed** at senior management wrap-up meetings organised in the Business segment prior to undertaking a Project that could be subject to embargo and export restriction regulatory constraints (whether due to the persons, sector of activity or geographical area involved).

6.6 Acquisition of a company

During the due diligence process prior to acquiring a company, special attention should be paid to the target company's compliance with embargo and export restriction regulations. General or specific warranties should be obtained from the vendor, which can be called upon if needed (as the target company will continue to bear the risk of penalties for improper practices prior to the acquisition), unless otherwise specifically agreed, justified and supervised by Business segment senior management assisted by the Business segment Compliance Officer.

Senior executives of the newly acquired company shall make sure that the information obtained during the due diligence process is verified and that the measures set out in this Programme are implemented promptly. If, during these post-acquisition checks, the senior executives discover any violations of the embargo and export restriction regulations, they must advise the Business segment senior management and the Business segment Compliance Officer in accordance with section 8.1 below.

6.7 Document archiving policy

The Business segment Compliance Officer must make sure that the Busi-

ness segment's Legal departments implement an adequate document archiving policy for memos, opinions from external or internal advisers, authorisations or licences issued by the authorities, responses or clarifications provided by those authorities and the due diligence reports referred to above. These documents must be kept for a period of at least ten years.

6.8 Contractual documentation

Relevant Group companies should include a clause in contracts with their suppliers, sub-contractors and partners requiring them to comply with all embargo and export restriction regulations. This clause must also authorise Group companies to suspend or terminate the contract if the other party violates the embargo and export restriction regulations or the continued lawful performance of the contract is compromised by a regulatory change or new circumstance.

Relevant Group companies should also obtain specific statements from their suppliers, sub-contractors and partners certifying the origin and provenance of the goods delivered and their transit points. Where customary, Group companies should also seek to obtain and must keep all certificates of origin or provenance of the goods from an independent issuing body.

6.9 Risk mapping

Each relevant Business segment includes in its risk mapping all countries and regions where the Business segment operates, plans to operate or has operated in the last five years. It identifies those countries or regions that are or have been subject to European, US or other sanctions, and shall take into account any potential reinstatement of economic sanctions targeting those countries or regions.

7 CONTROL

7.1 Self-assessment – Group Internal Control Reference Manual

The effectiveness of this Programme is monitored periodically through a self-assessment of the internal control principles implemented in the Business segments. If the self-assessment reveals deficiencies in the Programme's implementation, an action plan must be drawn up and implemented promptly.

7.2 Internal audits

During their regular or specific internal audit assignments, the Audit departments, assisted by the Business segment Compliance Officers and, as necessary, external lawyers or other service providers, periodically check that the Group's operations comply with the principles of this Programme and the Group Internal Control Reference Manual. Everyone is required to cooperate with the Audit departments. The internal audit reports are sent to the Business segment Compliance Officer and any recommendations made should be taken into account as appropriate to strengthen this Programme.

7.3 Appraisal of relevant senior executives

Implementation of this Programme and paying due care and attention to embargo and export restriction regulations are taken into account in the annual appraisals of relevant senior executives (for example, any observed failures in embargo and export restriction risk prevention must be taken into account).

8 PENALTIES – DEALING WITH BREACHES OF REGULATIONS

8.1 Breaches discovered by the company

Senior executives or employees who expose their company to the consequences of a breach of embargo and export restriction regulations are liable to penalties, which may include removal from executive office, disciplinary action or dismissal, even if no action is taken by the administrative or judicial authorities.

In keeping with our ethical and compliance values, the company must immediately suspend or terminate a transaction that violates the embargo and export restriction regulations.

After seeking an opinion from the appropriate internal and external advisers, the Business segment senior executives and Business segment Compliance Officer should decide on how to deal with any breaches and, in particular, on whether the competent authorities should be notified. Such a voluntarily transparent approach is evidence of the company's goodwill and may result in more lenient treatment by the relevant authorities.

Where possible, the Business segment should liaise with its internal and/or external advisers to determine whether an opinion, licence or authorisation can be obtained from the relevant authorities allowing it to continue its activities lawfully. If this is not possible, the transaction must be abandoned.

8.2 Breaches discovered during an investigation initiated by an administrative or judicial authority

The Business segment's senior executives and Business segment Compliance Officer must review the facts and accusations against the company, in liaison with their internal and, as necessary, external advisers. If proven, the offending practices or transactions must be ceased immediately.

The company must also cooperate fully in the investigation, as immediate and full cooperation is considered to be proof of goodwill by the authorities. Furthermore, senior executives and employees are reminded that obstructing or hindering an official investigation is an offence.

Senior executives or employees who expose their company to the consequences of an embargo and export restriction breach are liable to the penalties referred to in section 8.1 above.

8.3 Fines and other monetary penalties

Senior executives and employees are personally and solely liable for paying any fines or other monetary penalties imposed on them by any administrative or judicial authority. It should be remembered that insurance policies do not cover fines for criminal offences.

N.B.: *Breach of international economic and financial sanctions or export controls very often goes hand in hand with other offences, in particular accounting or customs violations, which are also punishable by the competent judicial and administrative authorities, thereby increasing the amount of the penalties imposed accordingly.*

CHAPTER II
EXPORT COMPLIANCE – EMBARGOES: WHAT TO KNOW

1 CURRENT CONTEXT

Most western countries have introduced economic sanctions on certain countries, political regimes or persons, or restrictions on the export and sale of goods or technology. These sanctions are not static and can change quickly.

Among the jurisdictions that have imposed such measures, the United States is currently the most proactive in terms of enforcement and punishment, with the aim of promoting more widespread ethical practices throughout the entire international trade process. US sanctions stand out not only because they are extraterritorial (in other words, the US authorities have the ability to impose their embargo and export restriction rules on foreign companies but also on senior executives and employees who may only have a very tenuous link with the United States), and also because the penalties imposed are heavy and cumulative.

From 2009 to 2016, the US authorities imposed fines totalling USD16 billion on European banks for embargo violations. European multinationals in the manufacturing and services sectors are not immune to such penalties. Several affairs involving notably French companies are currently under investigation or the subject of negotiations with the US authorities.

Some European Union countries are also vigilant and strict in their enforcement of embargo and export restriction rules, although they have not as yet introduced such severe deterrents as those pronounced by the US authorities.

2 PARTIES INVOLVED

International sanctions are imposed by three types of body:

2.1 United Nations

Resolutions of the United Nations Security Council apply to all UN member countries. They are implemented in the European Union through regulations.

The UN currently has 13 sanctions programmes.

2.2 European Union (EU)

Sanctions are imposed through EU regulations under the Common Foreign and Security Policy (CFSP), they:

- implement resolutions taken by the UN Security Council, and
- impose rules and sanctions specific to the EU.

As a reminder, EU regulations apply directly and immediately in all Member States upon publication in the EU's Official Journal.

Control and enforcement of EU sanctions is the direct responsibility of the competent authorities and jurisdictions in the Member States.

2.3 States

States are free to introduce their own economic sanctions and trade restrictions. They are responsible for enforcement of such sanctions and restrictions (as they are for EU sanctions).

2.3.1 FRANCE

The Ministry of the Economy has front-line responsibility for implementing the sanctions policy. The French Treasury manages and supervises financial restrictions while the Customs and Excise authority manages and supervises the classification of goods subject to export restrictions. Supervision of dual-use (civil and military) goods is the joint responsibility of the Ministry of the Economy's Commerce Department and the Ministry of Defence.

The Treasury provides an online application service for transaction authorisations and notifications. It also publishes a list of sanctioned countries as well as best practice guidance.

2.3.2 UNITED STATES

The US sanctions regime is highly developed and has its legal basis in the unusual or extraordinary threat to the national security and foreign policy of the United States posed by actions or policies that threaten peace, stability and democracy.

Sanctions are based on two key laws: the 1977 International Emergency Economic Powers Act (IEEPA) and the 1917 Trading with the Enemy Act (TWEA). Each sanctions programme also has its own decrees, laws, regulations and, as applicable, licences.

Within the Department of the Treasury, the Office of Foreign Assets Control (OFAC) is responsible for implementing US sanctions. The Department of Justice (DoJ) also has powers of enforcement. Offences are usually dealt with on a strict liability basis, which means that a person can be punished even if unaware that the sanction exists. For example, businessmen have been punished for trading with an Italian company, without first checking its capital structure, which was later found to be owned by Iranian interests.

The table on pages 6 and 7 provides an overview of the countries subject to UN, EU or US sanctions as at 7 August 2017.

3 MAIN INTERNATIONAL TRADE RESTRICTIONS

3.1 Types of restrictions

International sanctions may be comprehensive or selective, ranging from total economic embargoes to sanctions targeting specific sectors or persons.

They are not mutually exclusive and may therefore be aggregated, which adds a further layer of complexity to the analysis of applicable obligations and restrictions. The main types of restrictions are the following:

- **geographical restrictions:** sanctions targeting a country (or region) and/or the citizens, political institutions or any person physically present in that territory;

- **restrictions on regimes (current or former) or groups of persons:** for example, sanctions specifically targeting the government of the Islamic Republic of Iran and all of its sub-divisions, including the Islamic Revolutionary Guard Corps (IRGC); sanctions targeting the government of Bashar al-Assad (Syria); sanctions targeting persons "who are members of certain armed groups" or "persons responsible for serious violations of international law (Côte d'Ivoire) or "have engaged in acts that undermine the peace" (Central African Republic);
- **financial restrictions:** ceasing all financing, investment and payment systems, restricting access to the banking and financial system; inability to insure a risk or obtain compensation in the event of a claim;
- **restrictions on persons:** designated individuals or legal entities, plus any entities controlled by them, if any;
- **sector restrictions:** some restrictions target only specifically defined business sectors or transnational behaviours and organisations without geographical distinction or limitation. Examples are sanctions targeting terrorism, narcotics trafficking, organised crime, violation of human rights (in particular the freedom of speech), arms (in particular weapons of mass destruction) and cybercrime;
- **restrictions on exports or re-exports:** restrictions prohibiting the export of all goods, products or services or certain categories of goods, products or services; restrictions on the export of those goods, products or services via a third country (re-export).

3.2 Impacts of restrictions

Sanctions programmes imposed on sanctioned persons or entities may include one or more of the following:

- **asset freeze:** freeze on all tangible, financial and intangible assets belonging to the sanctioned persons or entities as well as those belonging to any entities controlled by them (generally meaning more than 50%-owned directly or indirectly); restrictions on bank financing, and/or;
- **freeze on economic transactions** with the sanctioned persons or entities, and/or;
- **freeze on imports and exports**, including re-export via third countries, and/or;
- **freeze on travel abroad** in certain cases.

4 US SANCTIONS

4.1 A highly developed sanctions regime

US sanctions are the most extensive in their scope of application and the United States has the most comprehensive and also the most complex sanctions regime. In August 2017, the United States had 26 sanctions programmes in place. US regulations apply principally but not only to US Persons. The United States regularly imposes sanctions on foreign persons who often have only a tenuous link with the country.

OFAC administers and applies US restrictions as well as any applicable sector or specific sanctions

programmes (terrorism, narcotics trafficking, weapons of mass destruction, etc.). Its website publishes a comprehensive list of all applicable legislation and regulations by country and by sanctions programme, as well as factsheets giving an overview of sanctions in place.

GENERAL AND SPECIFIC LICENCES

OFAC may issue general licences authorising certain transactions that would otherwise be prohibited, subject to compliance with the terms and limitations stipulated in the licence.

If no general licence is available for a proposed transaction, a specific licence will have to be obtained from OFAC in order to lawfully go ahead with the transaction. Airbus and Boeing have recently applied for and obtained a specific OFAC licence to sell aircraft to Iran, as they include US-origin components. Licence applications can be made online on OFAC's website and the licence must have been issued by OFAC before the transaction commences.

OFAC recommends seeking advice with its services in case of doubt.

SUSPENSION OF SANCTIONS

Some sanctions programmes may be totally or partially suspended without being fully revoked. For example, most sanctions against Myanmar (Burma) were *de facto* suspended in 2012 following the country's political changes. The United States issued various general licences successively authorising US investment, the import of most Burmese goods into the United States, and financial transactions with various Burmese banks. The sanctions programme was finally lifted by the United States in October 2016 (when the national emergency declared with respect to Myanmar was revoked). All sanctions have been lifted although transactions with persons on the SDN list are still prohibited.

While the example of Myanmar is encouraging, we should remember that a suspension of sanctions can be overturned and sanctions restored at any time. Iran is a case in point. Although the US administration admitted that Iran had not violated its commitments under the JCPOA (Joint Comprehensive Plan of Action) signed in Vienna on 14 July 2015, the US Congress took measures to tighten up US sanctions against Iran through the Countering America's Adversaries Through Sanctions Act (H.R. 3364) passed on 2 August 2017. This Act permits measures to be taken against individuals and entities where there is no US nexus (extraterritorial scope).

SANCTIONS TARGETING INDIVIDUALS AND ENTITIES

The Department of the Treasury website publishes a list of individuals and entities sanctioned by the United States, known as Specially Designated Nationals and Blocked Persons (SDN), which specifies the sanctions programme under which they were added to the list. The list is updated frequently (names added or removed).

On principle, US Persons are expressly prohibited from dealing with or taking part directly or indirectly in any transaction with SDNs and/or their close associates. In addition, no one

is allowed to engage directly or indirectly in any transaction involving US Persons when said US Persons are or would be prohibited from taking part in that transaction.

Given the seriousness of the allegations against SDNs and the extraterritoriality of US regulations, all Non-US Persons are strongly advised not to have any dealings with SDNs and persons controlled by them.

A second list should also be checked. Since 2015, the Consolidated Sanctions List has aggregated the various lists of sanctioned persons in addition to the SDN. These are the Foreign Sanctions Evaders List (FSE List), the Sectoral Sanctions Identifications List (SSI List), the Palestinian Legislative Council List (NS-PLC List), the List of Foreign Financial Institutions Subject to Part 561 (the Part 561 List) and the Non-SDN Iranian Sanctions Act List (NS-ISA List).

RESTRICTIONS ON EXPORTS AND RE-EXPORTS

Alongside the Bureau of Industry and Security (BIS), which is part of the Department of Commerce, OFAC also administers import and export restrictions related to economic sanctions imposed by the United States, and particularly regulations on the export of dual-use goods.

Dual-use goods are a specific category of goods that can have military applications as well as their commercial purpose (notably those defined in the Export Administration Regulations – EAR). Prior to their export or re-export, these goods must be subject to various specific formalities or must obtain a BIS licence depending on their technical characteristics, destination, use, end-user and end-user's business activities.

In addition, software and/or technology of US origin or that comprises more than a certain proportion of US-origin components are also subject to specific export and re-export restrictions and may require obtaining a licence beforehand.

Several lists of goods and products subject to export controls are available, including the Commerce Control List (CCL) and the Consolidated Screening List, which lists all export sanctions and includes a list of "parties of concern" drawn up by BIS. French individuals and entities appear on this list.

Authorisations issued by OFAC and BIS are autonomous, which means that a product exportable under OFAC regulations may be prohibited or require a BIS licence and vice-versa. This has particularly been the case for Cuba since the beginning of 2015, when the first wave of sanctions relief was introduced.

4.2 An extensive scope of application

US regulations apply principally:

- within the United States territory (including its possessions such as Puerto Rico);
- to any person or entity **within the United States**; and

- to US Persons **(wherever they are)**, i.e.:
  - any United States citizen,
  - any permanent resident alien of the United States,
  - any entity organised under the laws of the United States and entities controlled by them.

In practice, that means that any individual or entity with any kind of link to the United States may be subject to compliance with embargo and export restriction regulations.

For example, a **French company** with a **branch**, **business operation** or even just a **sales representative office** in the United States could be considered by the US authorities as a person within the United States. It would therefore be subject to US regulations and liable to penalty in the event of violation. However, if the US operation is run by a subsidiary that is registered in the United States and is genuinely autonomous in operating and financial terms, the French parent company cannot be considered as a person within the United States or, therefore, as a US Person. But the French parent company is not completely immune to the risk of prosecution by the US authorities (see sections 4.3 and 4.5 below).

All **employees** working or present in the United States on behalf of a European employer – for example, an onsite technical support assignment – are subject to US sanctions regulations. All permanent residents of the United States, all US citizens and all entities controlled directly or indirectly by a US parent company are also required to comply with US regulations, whether they are within the United States or elsewhere in the world.

Individuals and entities should review their own legal position with regard to the above criteria to determine whether (and when) they are subject to the US regulations.

4.3 Extraterritoriality of US sanctions

In the specific cases listed in the applicable regulations, the DoJ and OFAC apply the US embargo regulations to foreign persons and *de facto* situations that sometimes have only a very tenuous link with the United States, or even none at all. Anyone involved in a violation of the US regulations committed by a person required to comply with them is also liable to penalties. The extraterritorial reach of the US regulations has increased significantly over the past few years.

Generally speaking, a foreign person with no specific link to the United States can be subject to US law and, therefore, penalised by the US authorities for any of the following:

- using US dollars in transactions with countries or persons under US embargo (involvement of US Persons and transaction partly undertaken (cleared) in the United States);
- exporting or re-exporting goods, services or technology of US origin, or any other origin from the United States, to countries under US embargo or to sanctioned persons without a proper licence;

- involving or using a US Person in an economic or financial relationship with a country or person under US embargo;
- approving, financing, guaranteeing or facilitating a transaction or operation involving a US Person with a country under US embargo or a sanctioned person;
- adopting a behaviour manifestly seeking to contravene or circumvent US regulations or permitting a person subject to US regulations to do so.

Window dressing a transaction or operation in an attempt to circumvent US regulations is considered to be an **aggravating circumstance**, which is partly the reason for the extremely heavy financial penalties recently imposed on banking groups by the US authorities.

4.4 Effective enforcement

JOINT ACTION BY OFAC AND THE DOJ SUPPORTED BY THE FBI

OFAC has significant resources of its own (about 200 people), as well as the support of the DoJ (1,000 people and 45 offices abroad) and the FBI. To obtain evidence of offences, the DoJ calls on international judicial cooperation (mutual legal assistance, international rogatory commission, extradition agreements with various countries and places, including Singapore, Hong Kong, Germany, Czech Republic, United Kingdom, etc.). The US embassies and consulates are also an important source of information, as they can often detect very early-stage commercial contacts with embargoed countries or regimes.

The authorities also rely on cooperation with various people in exchange for reduced sentences. Many pressure groups, such as UANI (United Against Nuclear Iran), Cuban exile organisations, etc. will not hesitate to alert the US authorities if they witness a breach of the US regulations by US or foreign companies.

The evidence used and produced during legal proceedings includes extracts from telephone conversations, internal or external e-mails, conversations on instant messaging services (some of which date back to 2006) or written correspondence.

Recent settlements reached by the DoJ with BNP Paribas and Commerzbank, for example, illustrate the dogged determination of the US authorities to uphold their law by pursuing all offenders, regardless of size, nationality or geographical remoteness.

ENFORCEMENT PRIMARILY TARGETING MULTINATIONALS AND FINANCIAL INSTITUTIONS

The US authorities purposely target the large financial institutions and multinational companies. The penalties imposed on them must be exemplary with the aim of coercing everyone involved in international trade (sub-contractors, suppliers, transport companies, etc.) to comply with the regulations. Foreign financial institutions have recently been sentenced for events dating back several years, even though they had long since ceased the unlawful practices. Penalties have also been imposed on them by the US banking supervisory and control authorities. Each time, the

decisive factor in the US authorities' decision to take action has been use of the US dollar, the main currency of international trade, which is cleared in the United States. Generally speaking, OFAC considers that multinational groups by definition have extensive experience of international trade and adequate, sophisticated means to prevent any violation of the embargo and export restriction rules, which is why the penalties imposed on them by OFAC, amongst others, are so heavy.

4.5 Deterrent, cumulative penalties

The first point to note is that the United States has made a clear choice of using penalties as a deterrent.

The US authorities have stated their aim of deterring embargo violations by ensuring that the financial penalties imposed on offenders would wipe out any undue gains made, and more importantly, would be extremely costly to the offender not only in financial terms (fines, compliance measures, etc.), but also in human terms (prison sentences) and commercial terms (publication of settlement agreements, potential addition to the Foreign Sanctions Evaders list).

Penalties are usually cumulative and are not mutually exclusive.

OFAC PENALTIES

The civil fine for an offence is currently the higher of USD250,000 or twice the amount of the underlying transaction.

Due to the strict liability principle, the person does not even have to be aware that the transaction is an offence to be liable to penalties.

OFAC has decreed that the statute of limitations for embargo violations is five years. However, the DoJ often asks offending companies to waive or toll as a pre-requisite to reaching a settlement, which in practice means that offenders can sometimes be punished as long as ten years after the event.

DOJ PENALTIES

Criminal penalties:

- Up to 20 years' imprisonment for senior executives and employees who have knowingly taken part in violations; and
- Criminal fine of USD1 million or twice the amount of the underlying transaction.

Additional penalties can also be imposed, such as:

- Ban on tendering for US public procurement contracts,
- Addition to the Foreign Sanctions Evaders (FSE) list, which triggers a series of bans for US Persons including a worldwide ban on all (or some) transactions with the sanctioned person. It also severely restricts their ability to trade with or engage in any transaction, directly or indirectly, with the United States, its banking and financial system and any US Person (citizens, permanent resident aliens, US companies and their subsidiaries).

OTHER PENALTIES

Other US jurisdictions or regulators (SEC, FED, IRS, sector regulators, etc.) may all take action against a company for the same offence, increasing the overall cost of the penalties.

CIVIL CLAIMS

Offending companies may also be liable to civil claims for damages. For example, action is currently being taken against the BNP Paribas group in the United States by victims of the 1998 terrorist attacks on the US embassies in Nairobi (Kenya) and Dar es Salaam (Tanzania). They are claiming USD2.4 billion in damages due to the bank's alleged involvement in supporting the Sudanese government.

SETTLEMENT AGREEMENTS

In the vast majority of cases, companies accused of violating embargo and export restriction regulations are encouraged to reach a settlement with the authorities, which gives them a handle on the potential amount and type of penalties (maximum penalty and specific compliance measures imposed). The company admits guilt for all accusations in exchange for which the US authorities usually accept a deferred prosecution agreement, which means that the company will not be prosecuted provided it complies with all the obligations of the agreement throughout its term (otherwise it will lapse immediately). The agreement is usually widely publicised to deter other potential offenders.

AGGRAVATING CIRCUMSTANCES

The penalty takes into account all mitigating and aggravating circumstances, which can have a significant effect on the ultimate amount.

The following are considered to be aggravating circumstances:

- repeated or multiple offences;
- length of the violations;
- attempts to disguise or window dress fraudulent transactions;
- failure to cooperate with the US authorities;
- the offender is a multinational with extensive experience in international trade;
- lack of an effective compliance programme or policy, or inadequate implementation of the said programme or policy;
- the company's failure to report events when it is aware of them.

PURSUIT OF PARENT COMPANY

It is also important to be aware that, in the majority of cases involving multinationals, the US authorities will pursue a foreign parent company that has not directly taken part in the offence, if it has not reacted adequately to red flags raised by its internal or external advisers or if it has "closed its eyes" to unlawful acts or conduct. The authorities will not hesitate, when negotiating a settlement, to require the resignation of parent company senior executives or employees that have "closed their eyes" to unlawful practices or tacitly "endorsed" violations (for example, disguise or deliberate change of geographical origin, such as replacing "Iran" with "United Arab Emirates" or "Sudan" with "Southern Egypt" in order to circumvent embargo rules).

TAKING INTO ACCOUNT THE COMPLIANCE SYSTEM

The fact that the offending company had a compliance programme in place

prior to the violation can never be an excuse. However, it will be looked upon favourably by the authorities when setting the amount of the penalties, especially if the company can demonstrate genuine, sincere efforts to implement prevention measures. Conversely, a "sham" compliance policy will be an aggravating factor against the company.

PENALTIES IMPOSED ON INDIVIDUALS

In September 2015, the DoJ updated its enforcement policy on corporate wrongdoing (corruption, anti-competitive practices, embargoes, etc.) through the Yates Memorandum. Apart from imposing penalties on companies, the DoJ now intends to focus on identifying and pursuing individual wrongdoers, whether they participated actively in the offence or passively by "closing their eyes" to red flags. A very clear message has been sent to all the US authorities responsible for enforcement that imposing heavy penalties on individuals will have a deterrent and positive effect on the conduct of all economic agents.

Examples of penalties imposed by the US authorities (OFAC, DoJ and other regulators) against European companies

Entity penalised	Year	Amount of penalty (US dollars)	Allegations
BNP PARIBAS (France)	2014	8.974 billion	Clearing of US dollar denominated transactions carried out on behalf of individuals or entities linked with Sudan, Iran and Cuba Disguising these transactions by falsifying documents
HSBC (United Kingdom)	2012	1.931 billion	Money laundering and violation of sanctions (transactions with/for the benefit of sanctioned individuals or entities)
COMMERZBANK (Germany)	2015	1.452 billion	Allegations similar to BNP Paribas Incriminated countries = Iran and Sudan
CRÉDIT AGRICOLE (France)	2015	787 million	Allegations similar to BNP Paribas Incriminated countries = Myanmar (Burma), Cuba, Iran and Sudan
STANDARD CHARTERED (United Kingdom)	2012	667 million	Allegations similar to BNP Paribas Incriminated countries = Myanmar (Burma) and Libya
ING (Netherlands)	2012	619 million	Allegations similar to BNP Paribas Incriminated countries = Cuba and Iran
CRÉDIT SUISSE (Switzerland)	2009	536 million	Allegations similar to BNP Paribas Incriminated country = Iran
LLOYDS TSB BANK (United Kingdom)	2009	350 million	Allegations similar to BNP Paribas Incriminated countries = Iran and Sudan
BARCLAYS (United Kingdom)	2010	298 million	Allegations similar to BNP Paribas Incriminated countries = Cuba, Iran, Libya, Myanmar (Burma) and Sudan
DEUTSCHE BANK (Germany)	2015	258 million	Allegations similar to BNP Paribas Incriminated countries = Iran, Libya, Syria and Sudan
SCHLUMBERGER (France/ United States/ Netherlands)	2015	233 million	Trade relations with Iran and Sudan through foreign subsidiaries in order to disguise offences and involving US Persons

5 EUROPEAN SANCTIONS

5.1 Common sanctions at European union level

European sanctions are strongly inspired by those imposed by the UN.

SANCTIONS AGAINST COUNTRIES AND POLITICAL REGIMES – SANCTIONS AGAINST INDIVIDUALS AND ENTITIES

Countries subject to EU restrictive measures under the Common Foreign and Security Policy (CFSP) as at 26 April 2017 are shown in the table on pages 6 and 7. It is important to be aware that some of these measures have been partially or temporarily suspended.

The European Union also imposes sanctions on individuals and organisations. It publishes a consolidated list of individuals, entities and organisations subject to freeze to permit quick, effective implementation of the corresponding restrictive measures. The list is published solely for indicative purposes and only the laws and regulations published in the EU Official Journal are binding.

In France, the Treasury Department publishes a consolidated list of persons subject to sanctions, purely on its own initiative and for information purposes only.

EXPORT CONTROLS ON DUAL-USE GOODS

A specific EU regulation (No. 428/2009/EC) deals with export controls on dual-use goods.

The French Customs and Excise authority has published a "Guide to Exports of Dual-use Goods and Technology", last updated in February 2015. The guide contains useful information to help identify the goods and technology concerned as well as the procedures to follow when applying for derogations.

5.2 A relatively extensive scope of application

European sanctions apply:

- within European Union territory;
- on board any aircraft or ship under the jurisdiction of a Member State;
- to any person, inside or outside the European Union, who is a citizen of a Member State;
- any legal entity, other entity or organisation, inside or outside the European Union, organised or incorporated under the laws of a Member State;
- any legal entity, other entity or organisation involved in any commercial transactions carried out in full or in part in the European Union.

European legislation also applies to any company having its registered office in the European Union for transactions carried out fully or partly with or in a non-EU territory.

In addition, citizens of a European Union Member State are also required to comply with European regulations when they are abroad.

5.3 Enforcement devolved to Member States

The European Union sets forth restrictive measures and draws up lists of sanctioned persons, but the Member States are responsible for enforcing them.

Generally speaking, the competent authorities in the European Union Member States are responsible for determining the penalties for violation of the EU's restrictive measures and for granting derogations, where applicable.

By way of example, the penalties imposed in France, the United Kingdom and Germany are described below. It should be noted that the United Kingdom recently embarked on a drive to strengthen its legislation and regulations to enforce sanctions and impose heavier penalties in terms of embargo breaches.

FRANCE

Several specific provisions of criminal law permit the Customs and Excise authority as well as jurisdictions to impose penalties for embargo violations.

Under Article 414 of the Customs Code, the penalty for violations of embargoes on commercial or dual-use goods is three years' imprisonment and a fine of between one and two times the value of the goods in question and their confiscation. In the case of dual-use goods whose movement is subject to European restrictions, the prison sentence can be increased to five years and the fine can be up to three times the value of the goods in question.

Article 459 of the Customs Code also provides for penalties on persons who contravene or attempt to contravene the law and regulations on financial relationships with foreign countries and/or restrictive measures on economic and financial relationships set out the European Union regulations or international treaties and agreements duly approved and ratified by France.

Under this article:

- individuals are liable to a maximum of five years' imprisonment and a fine equal to at least the sum involved in the offence or attempted offence and no more than double that amount;
- legal entities are liable to a fine equal to five times the amount applicable to individuals.

Additional penalties may also be imposed (dissolution of the legal entity or closure of one or more of its premises, ban on tendering for public procurement contracts either permanently or for a period of up to five years, ban on being listed on a regulated market for five years, confiscation of assets, etc.).

In September 2016, on the grounds of Article 459 of the Customs Code, the French Ministry of the Economy and Finance filed a complaint with the Paris public prosecutor against Lafarge-Holcim, which it suspected of continuing to operate its cement factory in Jalabiya, Syria despite the embargo imposed on Syria by the European Union. The preliminary investigation by the judicial customs authority is currently ongoing.

UNITED KINGDOM

In the United Kingdom, the regulations currently provide for monetary penalties and sentences of up to two years' imprisonment for breach of UK embargo regulations (seven years' imprisonment for breaches of terrorist asset freezes).

It is important to be aware that directors, managers and other senior executives of companies can be pursued personally and convicted in the criminal courts if the offence has been committed with their agreement or due to their negligence.

Exports are controlled and supervised by the Export Control Organisation (ECO) based on the applicable amended legislation, mainly the 2002 UK Export Controls Act (ECA). Breaches of UK law on export controls are punishable by up to ten years' imprisonment and heavy fines.

On 31 March 2016, the United Kingdom created a new body called the Office of Financial Sanctions Implementation (OFSI), part of HM Treasury, which is responsible for detecting, investigating and punishing embargo breaches. It plays a similar role to the OFAC in the United States. Since the Policing and Crime Act 2017, which came into effect on 3 April 2017, OFSI can impose monetary penalties on anyone who breaches the financial sanctions regulations. The maximum penalty for each offence is the higher of GBP1 million or 50% of the total amount of the offence.

The Policing and Crime Act 2017 has also strengthened the criminal penalties for breach of financial sanctions, increasing the maximum prison sentence from two to seven years. It also introduced the Deferred Prosecution Agreement (DPA), frequently used in the United States, which allows a company to suspend or defer criminal prosecution if it agrees to (i) admit guilt, (ii) pay a fine and (iii) adapt and comply with good ethical conduct for a probationary period typically set at three years.

GERMANY

In Germany, anyone who breaches the United Nations or European Union sanctions and embargo regulations is liable to between one and ten years' imprisonment. Anyone who breaches other German regulations on financial sanctions is liable to between three months' and five years' imprisonment. Offenders may also be fined.

Supervision and control of the regulations is the responsibility of the Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA) under the authority of the Federal Minister of Economic Affairs and Energy. BAFA issues licence authorisations, in particular for dual-use goods and technology. However, the prosecution of offenders remains the responsibility of the Customs authority and the public prosecutors.

5.4 Penalties imposed by Member States

The administrative and judicial authorities of EU Member States have so far proved more indulgent and "accommodating" than their US counterparts in their treatment of international financial sanctions offences.

However, this does not mean that European countries do not apply penalties. In the past, the German,

Swedish, UK and Dutch courts have all imposed prison sentences for exporting dual-use goods and technology (for example, aluminium tubes used in centrifuges), especially to Iran, North Korea or Libya.

It also seems that many cases of embargo breaches that resulted in a settlement have not been publicised by the customs authorities of the countries in question, unlike the United States, which openly publicises settlements reached as an additional penalty measure.

It should also be noted that a growing number of European countries (Germany, Czech Republic, United Kingdom) have signed extradition agreements with the United States, paving the way for the extradition of individuals who breach the US export regulations.

In addition, there is no doubt that the United Kingdom's measures to tighten up its legislation, and in particular the creation of a specialist agency (OFSI) with power to impose its own penalties, is a strong signal to companies and their senior executives. It is likely to result in greater enforcement and heavier penalties for embargo and export restriction violations.

CHAPTER III
PRACTICAL EXAMPLES

This chapter looks at practical examples to illustrate the broad range of issues raised by embargo and export restriction regulations.

All projects or transactions envisaged by a Business segment must be scrutinised carefully depending on its context, specific features and characteristics, if necessary with the assistance of external advisers.

I am a Dutch citizen working in Miami:

I am required to comply at all times with restrictions imposed by the United States, the European Union and the Netherlands.

I am a United States citizen working in the European Union. Can I travel to Cuba on business?

No. As a United States citizen, you must comply with all sanctions and trade restrictions imposed by the United States no matter where you are. Unless you are able to benefit from one of the 12 highly specific exceptions allowed by OFAC under a general licence, you must refuse any assignment that has links with countries or persons subject to US sanctions. Furthermore, as you are in the EU, you must also comply with the sanctions and restrictions imposed by the EU (and, where applicable, by the country you are in).

A Group company wishes to carry out a financial transaction directly or indirectly involving:

- **Bank of America, Paris branch:** the parent company of Bank of America is based in the United States. Bank of America and all its subsidiaries and branches worldwide are therefore US Persons and are required to comply strictly with US regulations applicable worldwide. Consequently, in its relationship with such US Person, the Group company must not ask it to carry out, or facilitate, or involve it (directly or indirectly) in any transaction that would contravene the restrictions applicable to US Persons (for example, no bank transfer, even indirectly, to an embargoed country).
- **Société Générale, New York branch:** any company or branch based in the United States is a US Person and is subject to the same restrictions as those presented in the Bank of America example.
- **Barclays:** Barclays, which has its registered office in London, and all its subsidiaries worldwide, are subject both to financial sanctions imposed by the United Kingdom and all other applicable sanctions (in particular, European sanctions while the United Kingdom remains a member of the EU).
- **An Iranian bank:** most Iranian banks were subject to a total embargo by the European Union and the United

States. The gradual lifting of international sanctions against Iran does not cover trade and transactions with all Iranian banks. It is therefore essential to perform a case-by-case analysis, by reference to the documentation published by OFAC, the EU and the French Treasury, to determine whether it is permitted to deal with a specific Iranian bank.

A Group company wishes to export a machine containing US-origin software for a project in Russia:

The company must check:

- whether US sanctions apply (i) to its business in the region concerned, and (ii) according to the beneficiaries and principals of the project;
- with the Bureau of Industry and Services (BIS) whether the machine and the software are subject to export bans or restrictions by the United States (in particular, the *de minimis* US content rule);
- the route to be taken by the machine and the software to make sure that (i) they have not transited through sanctioned territories (Ukraine, etc.) or sanctioned entities (freight companies, etc.), (ii) they do not constitute a prohibited re-export of US technology, and (iii) their final destination is not a sanctioned territory (for example, Crimea);
- whether the banks involved in the financial transactions or through which payments are made:
  - have the right to carry out the transactions;
  - are not subject to sanctions.

A Group company wishes to acquire another company:

The acquisition due diligence must include checks as to whether the "target" company complies with embargo and export restriction regulations. If any violations of the embargo and export restriction regulations are identified during the due diligence work, the Group may have to abandon the acquisition depending on the nature, severity and scope of the violations.

A Group company wishes to purchase bitumen from a supplier based in Turkey:

Prior to the purchase, the company must check in particular:

- who the supplier's shareholders are;
- the origin of the bitumen, requesting a comprehensive, reliable certificate of origin clearly showing the geographical origin of the goods;
- the route taken by the goods via the carrier, vessel and any transit ports from the original producer.

The Group company must make sure that no country, person or entity subject to restrictions under international sanctions (EU, France, United States or company's host country) is involved in the transaction.

Should one or more red flags be raised, the subsidiary must abandon the transaction or suspend it until (i) information has been obtained confirming that the transaction is compliant or, where applicable, (ii) all the requisite licences or other administrative authorisations have been obtained.

The subsidiary of a US company located in Nigeria plans to call on a Group company to build a hospital using US financing:

The subsidiary of the US company is a US Person subject to US regulations worldwide. The use of US financing also means that the transaction is subject to US regulations, in particular US banking law, as well as financial and banking restrictions. The persons providing the finance are also US Persons.

The Group company must obtain information about current US sanctions against Nigeria (sectors, persons, financial institutions, etc.), and restrictions on exports and re-exports of US goods and technology or goods and technology containing US components (tangible or intangible). The subsidiary should make sure that no other party involved in the project appears on one of the sanctioned persons lists published by the United States and is not related to such a person.

A subsidiary of a French company plans to bid for a contract to build a hotel complex in Myanmar:

The United States lifted all sanctions against Myanmar on 7 October 2016, although some European restrictions remain in place (successive extensions). The subsidiary should still make sure that none of the parties involved in the project appears on the "blocked" persons lists drawn up and updated regularly by the United States (SDN list in particular), the European Union and/or France.

A Group company wishes to take out an insurance policy:

The insurance company will first check that no embargoes or other restrictions apply. They will usually also include a "Sanctions" clause in the policy stipulating that were an embargo or restriction to apply, they would not honour the commitment, which could lead to cancellation of the policy or the insurer's refusal to pay a claim either to the entity or third-parties. The company should therefore check, upon taking out the policy and periodically thereafter, that the insurance is not likely to be invalidated due to violation of an embargo or restriction.

The Group's Telecoms subsidiary wishes to enter into a roaming agreement with a telecoms operator based in Sudan:

It should first obtain information about all international restrictions applicable to Sudan. It should make sure that the operator and its owners are not sanctioned entities or individuals and that the business relationship envisaged with Sudan is not subject to restrictions.

A Group subsidiary wishes to purchase mining or oil products for use in a project:

It should notably check the following points: is it subject to European, French, US legislation or, as the case may be, the legislation of the country where it is based? Does the project involve persons subject to sanctions or restrictions (financing, customer,

intermediary, etc.) or US Persons? Are the mining or oil products subject to restrictions? Has the subsidiary obtained certificates of origin for the products? Has it obtained all relevant information about the route and transit points of the products (have they transited through an embargoed country or region?) and the persons taking part in their transportation (for example, some ports, and/or terminals and freight companies may appear on the SDN list)? Are those persons or infrastructures (and/or their shareholders) subject to sanctions? In the event of any red flags, the subsidiary should abandon the transaction.

A subsidiary of the Group's Media Business segment wishes to acquire or sell rights to an audiovisual production:

- Purchase: the subsidiary should make sure that no sanctioned individual or entity (including their direct or indirect shareholders) is involved in the financing and, more generally, the production of the work.
- Sale – Distribution: the subsidiary should make sure that it does not sell rights directly or indirectly to a sanctioned person or into a sanctioned country.

A Group subsidiary wishes to purchase a Dell printer or components for a project in Cuba:

Dell's "Commercial and Public Sector Terms of Sale", available online, contain a "Compliance with the Laws" clause expressly warning that all of its products falling within the category of US goods and technology are subject to export controls. Dell's website also provides a product classification reference table showing the applicable export control regulations. The Group subsidiary must comply strictly with Dell's Terms and Conditions and may not, therefore, export any Dell goods or technologies to Cuba.

A Group company based in the United States wishes to prospect for business in the Caribbean and Latin America:

The company is a US Person and therefore subject to US embargo regulations. Unless the proposed operation is authorised under a general licence (very limited exceptions), the company is not allowed to prospect in Cuba and, more generally, form contacts or business relationships with Cuban individuals or entities (including intermediaries, consultants, etc.) or organise business trips to Cuba. It must also comply with US restrictions on Venezuela.

A Group company proposes to use composite materials for use in a project:

It must make sure that the composite materials are not on the list of dual-use goods and technology (civil and military). If they are, the subsidiary must check that neither the client nor the country involved in the project are subject to embargoes or restrictions.

CHAPTER IV
RECENT DEVELOPMENTS IN SANCTIONS AND EMBARGOES

1 IRAN: VIENNA AGREEMENT OF 14 JULY 2015 – GRADUAL LIFTING OF INTERNATIONAL SANCTIONS

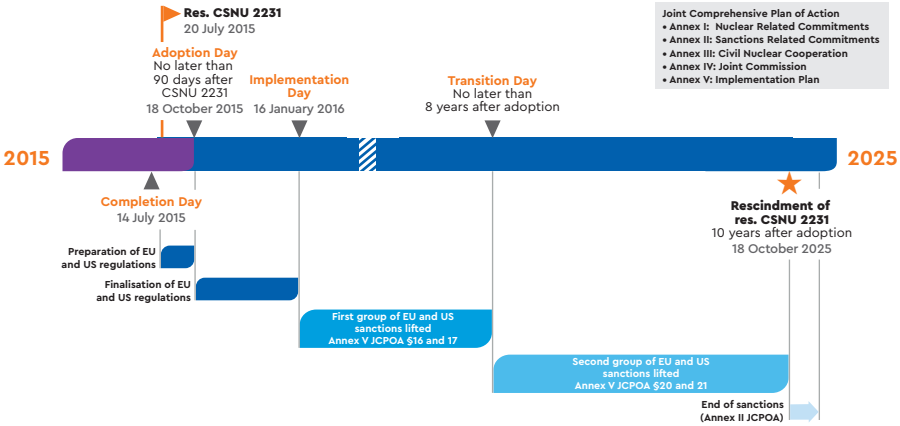
France, Germany, the United Kingdom, the High Representative of the European Union for Foreign Affairs and Security Policy, the United States, China and Russia (E3/EU+3 group) reached an agreement on Iran's nuclear programme with the Islamic Republic of Iran on 14 July 2015 in Vienna[1] (the "Agreement").

In exchange for Iran's compliance with strict long-term commitments, the sanctions imposed on Iran by the Security Council, the European Union and the United States will be progressively lifted (Joint Comprehensive Plan of Action – JCPOA).

This is a suspension, not a cancellation, of the sanctions and its implementation is conditional, progressive and reversible if Iran breaches its obligations.

As the Vienna Agreement on the JCPOA stands at present, the sanctions imposed on Iran will not be fully lifted until 2025 and, in any event, after the "Transition Day". Transition Day is the date eight years after the earlier of Adoption Day or the date on which the AIEA submits a report to the UN Security Council stating that it has reached the broader conclusion that all nuclear material in Iran remains in peaceful activities.

Following the UN Security Council's approval of the Vienna Agreement (resolution 2231), the JCPOA's Adoption Day is 18 October 2015. The initial



(1) JCPOA statement available at http://eeas.europa.eu/statements-eeas/2015/150714_01_en.htm.

sanctions relief took place on Implementation Day, i.e. 16 January 2016, the date on which the AIEA considered that Iran complied with all its prior obligations required for the measures of the Agreement to become effective.

Implementation Day: main commitments implemented by the United States as of 16 January 2016

The United States maintained its "primary sanctions" applicable to US Persons.

However, the United States lifted its "secondary sanctions" related to Iran's nuclear programme.

These secondary sanctions more specifically target Non-US Persons for operations "outside the jurisdiction of the United States". The sanctions relief covered all or part of the existing restrictions in place, notably in finance and banking, insurance, energy and petrochemicals, and trade in semi-finished materials or precious metals, and this, subject to compliance with the terms and authorisations of the JCPOA.

Current restrictions therefore differ depending on whether the operation directly or indirectly involves the United States and/or the jurisdiction of the United States. A thorough analysis must therefore be performed on a case-by-case basis.

Implementation Day: main commitments implemented by the European Union

The EU Regulation on the lifting of the main sanctions against Iran came into effect on 16 January 2016. The only remaining restrictions cover military goods, nuclear and ballistic technology, dual-use goods, software and raw or semi-finished metals. The systematic requirement for authorisation of financial transfers from the European Union has been rescinded. The only financial transfers still subject to prior authorisation are those where the underlying commercial transaction is subject to restrictions.

The freeze on Iran's central bank has been lifted.

The Tejarat, Melli and Sepah banks, which have operations in France, are no longer subject to asset freezes, although the freeze on Saderat Bank remains in place.

The European External Action Service (EEAS) has published an information sheet on the lifting of European Union sanctions under the JCPOA[1]. The French Treasury also published a memo entitled "Residual Sanctions Iran" on 27 April 2016[2].

2 CUBA: EMBARGO RELIEF FOLLOWING PRESIDENT OBAMA'S STATEMENT ON 17 DECEMBER 2014

As a reminder, the US sanctions programme against Cuba primarily targeted US Persons and US goods and technology.

Despite the diplomatic rapprochement and the US President's trip to Cuba in March 2016, OFAC and the BIS are very clear about the fact that the total economic and trade

(1) http://eeas.europa.eu/top_stories/pdf/iran_implementation/information_note_eu_sanctions_jcpoa_en.pdf.
(2) http://www.tresor.economie.gouv.fr/3745_iran.

embargo between the United States and Cuba is still fully effective subject to authorisation policy granted under the licence system. Most transactions between the United States or persons subject to US jurisdiction are still prohibited and OFAC continues to apply and control the Cuban Assets Control Regulations (CACR) (including for past offences).

The recent relief was introduced through the issuance of various general licences and the introduction of a "case-by-case" authorisation policy, provided that the transaction complies with all applicable rules (pre-defined area of activity, transactions with certain agreed persons, activities contributing to promoting specific objectives defined by the US administration).

For more details on the content and scope of this relief, please refer to Frequently Asked Questions on Cuba[1].

3 RESCINDMENT OF SANCTIONS PROGRAMMES

The UN, European Union and United States rescinded their sanctions programmes against Côte d'Ivoire and Liberia in 2016.

The United States rescinded the sanctions regime against Myanmar by Executive Order of the President of the United States on 7 October 2016, having partially lifted its sanctions in 2012.

The European Union also lifted all sanctions against Myanmar in May 2013, except for the embargo on arms and equipment that might be used for internal repression, which has been extended until 30 April 2018.

4 STRENGTHENING OF RESTRICTIVE MEASURES

The European Union has strengthened restrictive measures against ISIL (Da'esh) and Al-Qaeda and individuals or entities associated with them (Regulation EU 2016/1686 of 20 September 2016).

5 POINTS TO WATCH

On 16 June 2017, the US President Donald Trump announced a renewed tightening of the sanctions policy against Cuba. For further details, please refer to Frequently Asked Questions on President Trump's Cuba Announcement (16 June 2017)[2].

In addition, the new Countering America's Adversaries Through Sanctions Act (H.R.3364), which came into effect on 2 August 2017, gives the US government power to harden the sanctions regimes in place against Iran, Russia and North Korea. This law provides for the implementation of secondary sanctions (applicable to Non-US Persons) as regards Russia. It also restricts the President's right to lift or limit sanctions against Russia without the agreement of Congress.

Special care should therefore be paid to developments in US policy over the next few months, particularly with regard to Cuba, Iran, Russia and North Korea.

(1) https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_faqs_new.pdf (please refer to latest update).
(2) Frequently Asked Questions on President Trump's Cuba Announcement of 16 June 2017 (https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_faqs_20170616.pdf).

CHAPTER V
USEFUL INFORMATION SOURCES AND LINKS

I am looking for information about sanctions programmes:	
France (international financial sanctions)	https://www.tresor.economie.gouv.fr/Ressources/sanctions-financieres-internationales
EU (Common Foreign and Security Policy – CFSP)	http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm
United Kingdom	https://www.gov.uk/sanctions-embargoes-and-restrictions/
United States of America	http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx
UN	http://www.un.org/french/sc/committees/
I am looking for information on the United States sanctions regime applicable to a country:	
Information by country	http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx
I am trying to find out whether a person is subject to sanctions:	
Single list of freezes (EU and/or France)	https://www.tresor.economie.gouv.fr/Ressources/11448_liste-unique-de-gels
EU	https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en
United Kingdom (consolidated list)	https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets
United States of America	https://sdnsearch.ofac.treas.gov/
UN (consolidated list)	https://www.un.org/sc/suborg/fr/sanctions/un-sc-consolidated-list
I am looking for information about goods and technology subject to export restrictions:	
United States of America	http://www.state.gov/strategictrade/
Department of State Bureau of Industry and Security	http://www.bis.doc.gov/
France (dual-use goods)	http://www.douane.gouv.fr/articles/a10922-biens-et-technologies-a-double-usage-civil-ou-militaire

I am looking for information about appropriate conduct:	
France: Good conduct guide (1 September 2014 - v3 - last updated: 15 June 2016)	http://www.tresor.economie.gouv.fr/File/425399
EU: EU Best Practices (June 2015)	http://data.consilium.europa.eu/doc/document/ST-10254-2015-INIT/fr/pdf
I want to apply for authorisation of a transaction[1]:	
I am applying for an OFAC licence for the United States	https://www.treasury.gov/resource-center/sanctions/Pages/licensing.aspx
In France: • I can use the online service provided by the Treasury Department and/or • I can consult the Treasury Department's "Contacts and forms" page	https://sanctionsfinancieres.dgtresor.gouv.fr/ http://www.tresor.economie.gouv.fr/4147_Contacts-et-formulaires
I wish to receive real-time information about sanctions developments:	
	You can subscribe to the OFAC or EU newsletters to receive real-time information about changes in regulations related to international sanctions and/or changes to the various lists of sanctioned persons.

(1) N.B. There is a system of specific authorisations as regards Articles 30 and 30 bis of the EU Regulations on Iran.

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The Bouygues group's Code of Ethics and Compliance Programmes (Competition, Anti-corruption, Financial Information and Securities Trading, Conflicts of Interest, and Embargoes and Export Restrictions) are available on the Group intranet (ByLink).

BOUYGUES

GIFTS AND HOSPITALITY POLICY

BOUYGUES

INTRODUCTION

Being invited to a restaurant or a seminar abroad, receiving gifts or inviting a supplier to an event are among the many situations you may have to confront as part of your activity on a daily basis.

However, giving and receiving corporate gifts or hospitality is never a simple matter in the business world. These practices can strengthen and help develop business relationships, create a climate of trust or promote the company's products and services, but they can also compromise your impartiality. The Bouygues group's policy is therefore to prohibit the giving or accepting of any gifts or hospitality other than the courtesy gestures customary in any business relationship[1].

In some circumstances, receiving gifts or hospitality may make you indebted to the giver whether consciously or not, and may colour your judgement. Similarly, our co-contractors, partners and customers may see the offer of gifts or hospitality as an attempt to unduly influence their behaviour.

It is often difficult to draw the line between courtesy, hospitality and bribery and many situations can be open to interpretation. This Policy therefore sets out clear and precise rules to be followed by all Bouygues group employees.

(1) See also pages 29 to 31 of the Bouygues Anti-Corruption Compliance Programme.

1 PURPOSE

The purpose of this Policy is to set out the circumstances in which Bouygues group employees may give or accept gifts or hospitality.

2 SCOPE OF APPLICATION

This Policy applies to the Bouygues group, that is Bouygues SA and all its business segments: Bouygues Construction, Bouygues Immobilier, Colas, TF1 and Bouygues Telecom, as well as the subsidiaries they control.

It applies to everyone working on behalf of a Group company whatever their status or place in the organisation (corporate officer, employee, intern, etc.).

It applies when gifts or hospitality are offered or received indirectly through a third party.

It applies whether the gift or hospitality is paid for by the company or from an employee's own personal account.

It applies to gifts or hospitality offered as part of a patronage or sponsorship programme.

Everyone must therefore be familiar with this Policy and comply with it on a daily basis.

3 DEFINITIONS

Gift: money, goods or services offered or received for the personal benefit of the recipient without expectation of consideration or value in return.

Hospitality: any offer of travel, accommodation, food, drink or an invitation to any event as a spectator or participant (e.g. trips, seminars, restaurants, entertainment, cultural or sporting events, TV programmes, etc.), whether given or received.

Public official: anyone in a position of official authority, whether appointed or elected, including:

- anyone who is employed or used as an agent or representative by a national, regional or local authority, an entity controlled by one of those authorities or an independent administrative authority;
- anyone employed or used by a public agency;
- candidates running for public office;
- heads of political parties;
- employees of public international organisations.

4 PRINCIPLES FOR GIVING OR ACCEPTING GIFTS OR HOSPITALITY

Four principles govern the giving or receiving of gifts or hospitality in the Bouygues group.

Legality:

Gifts or hospitality must be lawful in the country of both the giver and the receiver. You should always check this with your Compliance Officer or the Legal department if necessary.

Discernment:

Gifts or hospitality must be proportionate to the circumstances in which they are given or received. Factors to consider are local customs and living standards, potential reciprocity, business situation, timing of the gift or hospitality, etc.

You should never give or receive gifts or hospitality because someone has asked you to.

Gifts or hospitality should never be given in expectation of something in return.

In addition, regardless of their value, offers of hospitality to close contacts (spouse, family members, etc.) must be considered very carefully and may only be envisaged on a case-by-case basis depending on the circumstances (e.g. ceremony, exceptional event) and local customs.

You should therefore always ask yourself whether the gift or hospitality is justified by the circumstances.

Transparency:

Gifts and hospitality should always be given or received openly.

Any gift or hospitality should not be concealed or raise any questions.

Control:

Depending on the amount, gifts or hospitality should either be reported to your line manager or approved by your line manager after seeking the opinion of the relevant company's Compliance Officer or Legal department director.

5 GIFTS AND HOSPITALITY THAT ARE FORBIDDEN IN ALL CIRCUMSTANCES

It is forbidden to accept the following gifts and hospitality in all circumstances:

- gifts or hospitality offered or accepted at a strategic time, particularly during a decision-making process that might affect the organisation's interests (ongoing calls for tenders, entering a new market, contract negotiations, awaiting an authorisation, etc.);
- the provision of or payment for works (construction, repairs, improvements, decoration of a property);
- the provision of equipment such as cars, televisions, computers, mobile phones[1], etc.;
- the provision of equipment such as housing or aircraft free of charge;

(1) Other than for testing purposes and provided that they are returned afterwards.

- discounts, commissions or any form of recompense given or offered on a personal basis;
- offers of cash or equivalents (e.g. gift cards or vouchers);
- donations, loans, advances and debt forgiveness;
- grants of interests in the capital of a company or listed shares;
- offers of free services that are not justified, such as insurance, travel, school fees or other personal preferential treatment;
- job offers made outside of the normal selection and recruitment process[1];
- school grants or internships offered outside of the normal selection and award process[2];
- offers of gifts to a public official;
- offers of gifts to close contacts of co-contractors, partners or customers (e.g. spouse, family members, etc.).

6 LIMITS AND RULES FOR GIVING OR ACCEPTING GIFTS OR HOSPITALITY

If the rules set out in sections 4 and 5 are observed, a gift or hospitality may be given or accepted within the following limits and conditions.

General information about limits

- The limits set in this Policy are maximum amounts and may be lowered by the business segments. They may not be raised under any circumstances.
- These limits apply to France and should be adjusted in each country based on local living standards.
- The limits are doubled for executive officers, CEOs, Deputy CEOs and members of management or executive committees.
- Regardless of the amount, gifts or hospitality offered must be recorded in an accurate and fair manner in the company's books and records.

Limits and rules for giving or accepting gifts or hospitality

This Policy does not apply to low-value promotional objects bearing a company's logo, particularly those given out during trade fairs or site visits.

In terms of frequency, you may not:

- give more than one gift a year to the same person;
- receive more than one gift a year from the same person.

1. IF THE GIFT IS WORTH LESS THAN €100: REPORTING

You do not need approval from your line manager to give or accept a gift worth less than €100.

However you should report it to your line manager in writing.

2. IF THE GIFT IS WORTH MORE THAN €100: APPROVAL

Before giving or accepting a gift worth more than €100, you should ask your line manager for approval after seeking the opinion of the relevant company's Compliance Officer or Legal department director. Approval should be

(1) If someone close to you gives you their curriculum vitae, you should send it to the Human Resources department and disclose your relationship with the candidate.
(2) The same applies as for note 1 above.

logged in a special register (either computerised or on a standard form).

If approval is denied, the gift should be returned to the giver. If the gift cannot be returned, you should pass it on to the relevant company's Compliance Officer or Legal department director who will decide what to do with it (e.g. donate it to charity or share it among all staff).

Limits and rules for giving or accepting lunch, dinner or other meal invitations

Lunch, dinner or other meal invitations may be given or accepted provided they do not contravene any of the rules set out above and they are strictly for business purposes.

In terms of frequency for lunch, dinner or other meal invitations worth more than €50 a head, you may not:

- give more than one invitation a month to the same person;
- receive more than one invitation a month from the same person.

1. LUNCH, DINNER OR OTHER MEALS WORTH LESS THAN €50 PER HEAD: NO NEED FOR REPORTING OR APPROVAL

You do not need to report or obtain approval to give or accept a lunch, dinner or other meal invitation worth less than €50 per head.

2. LUNCH, DINNER OR OTHER MEALS WORTH MORE THAN €50 PER HEAD: REPORTING

You do not need prior approval from your line manager to give or accept a lunch, dinner or other meal invitation worth between €50 and €150 per head.

However, you should report it to your line manager in writing.

3. LUNCH, DINNER OR OTHER MEALS WORTH MORE THAN €150 PER HEAD: PRIOR APPROVAL

For lunch, dinner or other meal invitations worth more than €150 per head, you must obtain prior approval from your line manager after seeking the opinion of the relevant company's Compliance Officer or Legal department director. Approval should be logged in a special register (either computerised or on a standard form).

Limits and rules for giving or receiving invitations to seminars, sporting or cultural events, or other entertainment (conferences, shows, museums, concerts, sporting events, etc.)

In terms of frequency, you may not:

- give more than one invitation to the same person in every six-month period;
- receive more than one invitation from the same person in every six-month period.

1. IF THE INVITATION IS WORTH LESS THAN €300 PER HEAD: REPORTING

You do not need prior approval from your line manager to give or accept an invitation worth less than €300.

However giving or accepting invitations should be reported to your line manager in writing.

2. IF THE INVITATION IS WORTH MORE THAN €300 PER HEAD: PRIOR APPROVAL

Before giving or accepting an invitation worth more than €300, you should obtain prior approval from your

line manager after seeking the opinion of the relevant company's Compliance Officer or Legal department director. Approval should be logged in a special register (either computerised or on a standard form).

7 SPECIAL PROVISIONS FOR BUSINESS TRIPS

A host may pay for the travel and accommodation expenses of an invitee who is participating in a business event (seminar, conference, jury member, etc.).

In all other cases, expenses must be paid by the invitee, unless exception is given in writing by the relevant company's Compliance Officer or Legal department director.

If exception is given, the expenses must be formally agreed in advance in writing and must be strictly limited (no leisure or tourist activity). The distance and duration of the trip must be justified for business reasons (e.g. production plant visit).

8 SPECIAL PROVISIONS FOR CORPORATE EVENTS

Corporate events are events organised at senior management level (Chairman and CEO, Deputy CEO or management committee member) of the relevant company, involving at least 50 people from outside the organising company per event and date. If the event involves fewer than 50 people, senior management may nonetheless authorise it after seeking the opinion of the relevant company's Compliance Officer or Legal department director.

Corporate events are permitted subject to compliance with both of the following conditions:

- They involve business professionals invited to celebrate an event or to present or promote the company, its services or products. Examples include releases of films produced, distributed or partnered by the company, events related to the life of a construction site (e.g. foundation stone ceremony, inauguration of a production plant, completion of a construction site, etc.), shows or exhibitions sponsored by the company and press trips.
- The value of the invitation must not exceed €300 per head. If it does, prior approval must be obtained from senior management after seeking the opinion of the relevant company's Compliance Officer or Legal department director.

As an exception to the above provisions, corporate events may take place at any time.

9 TRANSITIONAL PERIOD

All Bouygues group business segments (Bouygues Construction, Bouygues Immobilier, Colas, TF1 and Bouygues Telecom, as well as the subsidiaries they control) must apply this Policy by 1 January 2021 at the latest.

10 CONTROL

To ensure that this Policy is applied, a three-tier control system will be implemented:

- **First-level control** performed by operational staff and designed to ensure that gifts and hospitality offered and accepted comply with this Policy.
- **Second-level control** performed by the Legal department – Compliance and/or Internal Control to ensure that first-level controls have been properly performed.
- **Third-level control** performed by Internal Audit to ensure that the first- and second-level controls have been properly performed.

11 DOCUMENT RETENTION

Documents evidencing the reporting or approval of gifts and hospitality must be kept for five years on a secure server by the employee offering or accepting said gift or hospitality.

12 WHAT TO DO IN CASE OF DOUBT OR A QUESTION

If you are in any doubt or have a question of any kind, you must refer to your line manager and/or your company's or the Bouygues group's Compliance Officer or Legal department director.

13 SANCTIONS

Under Bouygues SA's Anti-Corruption Compliance Programme, any breaches of this Policy may result in disciplinary action.

This Policy is effective as from 1 January 2020.

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