

# BUSINESS ETHICS & COMPLIANCE CODE

This Second Edition of the Cotecna Compliance Code supersedes the First Edition published on 31 October 2003.

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# INTRODUCTION

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Founded in Switzerland in 1974, the Cotecna Group offers a wide range of trade facilitation services, trade security services and quality certification standards.

Cotecna is a pioneer in areas such as Risk Management, Destination Inspection, Scanner integration projects, Customs modernization programmes, Customs Valuation Assistance and Trade Security solutions. For a full description of our services, please visit [www.cotecna.com](http://www.cotecna.com).

The Cotecna Group has a combined workforce of about 4,000 employees and agents in close to 100 offices and holds 14 government inspection contracts.

Cotecna is committed to delivering professional excellence. As a company, we believe we can only honour our contractual and business obligations through uncompromising dedication to our clients' requirements and by adopting the highest professional and ethical standards – that is our business promise.

For this reason, Cotecna has implemented a Business Ethics & Compliance programme throughout its network of offices. At the heart of the programme is the Cotecna Business Ethics & Compliance Code. The Code's principles and rules apply to all Group activities, and address technical and business professional conduct and ethics in relation to the following areas:

- > Integrity
- > Conflicts of interest
- > Confidentiality
- > Anti-bribery
- > Fair marketing

Above all, we place Business Ethics and Compliance above any commercial consideration.

To ensure the effectiveness of the implementation of our Code, we submit our Business Ethics & Compliance programme to an annual independent examination conducted by the company's external financial auditors.

Cotecna is a member of the International Federation of Inspection Agencies (IFIA). The Cotecna Business Ethics and Compliance Code (2nd edition) reflects the requirements of the IFIA Compliance Code (2nd edition) dated 1st July 2005.

**For further information please contact the Group Compliance Officer :**

**Email: [compliance@cotecna.ch](mailto:compliance@cotecna.ch)**

**Tel: +41 (0)22 849 7814**

## Date of Entry into Force

This Business Ethics and Compliance Code (2nd Edition) enters into force on 31st January 2006.

# THE PRINCIPLES

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## Integrity

Cotecna operates in a professional, independent and impartial manner in all its activities.

Cotecna carries out its work honestly and does not tolerate any deviation from its approved methods and procedures. Where approved test methods make provision for tolerances in results, Cotecna ensures that such tolerances are not abused to alter the actual test findings.

Cotecna reports data, test results and other material facts in good faith and does not improperly change them, and only issues reports and certificates that correctly present the actual findings, professional opinions or results obtained.

## Conflicts of interest

Cotecna avoids conflicts of interest with any related entity in which it has a financial or commercial interest and to which it is required to provide services.

Cotecna avoids conflicts of interest between Cotecna's companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.

Cotecna ensures that its employees avoid conflicts of interest with the activities of Cotecna.

## Confidentiality

Cotecna treats all information received in the course of the provision of its services as business confidential to the extent that such information is not already published, generally available to third parties or otherwise in the public domain.

## Anti-bribery

Cotecna prohibits the offer or acceptance of a bribe in any form, including kickbacks on any portion of a contract payment.

Cotecna prohibits the use of other routes or channels for provision of improper benefits to, or the receipt of improper benefits from, customers, agents, contractors, suppliers or employees of any such party or government officials.

## Fair Marketing

Cotecna only presents itself and conducts marketing, including comparisons with, or references to, competitors, or their services, in a manner that is truthful, not deceptive or misleading or likely to mislead.

# 1. THE RULES: SPECIFIC APPLICATIONS OF THE PRINCIPLES

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## 1.1. Integrity

- 1.1.1 Cotecna provides guidance to its employees for dealing with clients who expect Cotecna to abuse tolerances to obtain acceptable results.
- 1.1.2. In respect of those business sectors in which Cotecna is active, Cotecna complies with any sector specific Integrity Rules published by the applicable IFIA Technical Committee.

## 1.2. Conflicts of interest

- 1.2.1. In order to avoid conflicts of interest, or the appearance of conflicts of interest, in Cotecna's business transactions and services, Cotecna maintains a policy regarding conflicts of interest.
- 1.2.2. Cotecna's policy provides guidelines to employees in order to avoid conflicts of interest between:
  - i. Cotecna and any related entities in which Cotecna has a financial or commercial interest and to which it is required to provide services; and
  - ii. Cotecna's companies and/or divisions engaged in different activities but which may be providing services to either the same client or each other.
- 1.2.3. Cotecna's policy provides, at a minimum, that Cotecna's employees shall not:
  - i. directly or through relatives, friends or intermediaries, acquire an interest in a supplier, a client or a competitor of Cotecna, except for the acquisition of shares of a client, supplier or competitor on a public stock exchange, and then only to an extent which does not grant significant influence over the affairs of the client, supplier or competitor and which does not make the Employee unduly dependent on its financial fortunes.
  - ii. hold any position with a competitor or client.
  - iii. conduct any company business with any member of their family or with an individual or organisation with which they or their family is associated.
  - iv. employ a member of their family without approval of Cotecna's management.

## 1.3. Confidentiality

- 1.3.1. Cotecna's Employees are required, as a condition of employment, to sign a Non-Disclosure Agreement which prohibits the disclosure of any confidential business information, obtained during the course of their employment, to other parties.
- 1.3.2. Cotecna ensures that all intermediaries, joint venture partners, agents, subcontractors, contractors and suppliers are made aware of the confidential nature of the business information that they may handle through their dealings with Cotecna, and that they should not disclose confidential information to other parties.

## 1.4. Anti-bribery Rules

### 1.4.1. Compliance with laws

- i. Cotecna ensures that the Principles and Rules of its Programme meet the requirements of the IFIA Compliance Code and local laws relevant to countering bribery in all the jurisdictions in which Cotecna operates.
- ii. In the event that the local laws specify additional or different requirements, which are not covered by the Programme, Cotecna modifies accordingly its Programme for the country(ies) concerned. Records are kept of countries where the Programme has been modified.

### 1.4.2. Analysis of risks

Cotecna's Compliance Committee and/or the senior executive, or his delegate, in each country of operation organises periodic reviews to assess bribery risks and determine appropriate control measures. Such reviews are systematically conducted:

- i. Prior to the commencement of a new service or the start up of operations in a new country,  
and
- ii. Whenever a significant breach of Cotecna's Business Ethics & Compliance Principles and Rules occurs which warrants a review of the existing control measures.

### 1.4.3. Political contributions

In order to ensure that the Cotecna, its employees, agents or intermediaries shall not make direct or indirect contributions to political parties, organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions, Cotecna:

- i. Maintains a policy and criteria for political contributions.
- ii. Ensures proposed political contributions be subject to prior review and approval by the Cotecna Compliance Committee and shall take into account the applicable laws in the countries concerned.
- iii. Accounts for all political contributions made by Cotecna in a separate general ledger account in its accounting records. Cotecna consolidates all such payments made by any of its operations forming part of its organisation.
- iv. Prepares annually a consolidated management statement of all political contributions made, including those made on its behalf by its employees, agents and intermediaries.

### 1.4.4. Charitable contributions and sponsorships

To ensure that charitable contributions and sponsorships are not used as a subterfuge for bribery, Cotecna:

- i. Maintains a policy and criteria for charitable contributions and sponsorships.
- ii. Stipulates designated levels of approval for charitable contributions and sponsorships.
- iii. Prior to approval of each proposed charitable contribution or sponsorship a due diligence review is conducted to ensure that:
  - > The organisation receiving the contribution or sponsorship is reputable pursuing a purpose unequivocally in the public interest and having the

financial and personnel resources required to reach its purpose. Care should be taken to ensure that the organisation is not a "front" for some other purpose. Donations to individuals shall be avoided unless approved and monitored by Cotecna's Compliance Committee.

- > There are no conflicts of interest.
- iv. Sponsoring agreements are in writing and state the consideration being offered by Cotecna. If funds are offered, the use of these funds shall be specified in detail and an opportunity to check on their use must exist.
- v. Records are maintained locally of all charitable contributions and sponsorships and progress monitored to ensure that they have been used for the intended purpose.
- vi. All charitable contributions and sponsorships made by Cotecna are accounted for in a separate general ledger account in its accounting records. Cotecna consolidates all such payments made by any of its operations forming part of its organisation.
- vii. Prepares annually a consolidated management statement of all charitable contributions and sponsorships made by Cotecna or on its behalf.

#### 1.4.5. Facilitation payments

- i. Cotecna's policy is that facilitation payments are discouraged and only made when absolutely necessary.
- ii. Where Cotecna's policy permits facilitation payments, it is subject to compliance with the following requirements:
  - > There is no doubt as to the entitlement of Cotecna to the action to be performed.
  - > The demander of the facilitation payment has a clear and non-discretionary obligation to perform the task.
  - > The payment is modest.
  - > The payment is appropriately accounted for.

#### 1.4.6. Gifts, hospitality and expenses

To ensure that the offer or receipt of gifts, hospitality or expenses do not (a) influence, or be perceived to influence, a contractual or material transaction or (b) serve, or be perceived to serve, as an inducement to act in breach of duty, Cotecna :

- i. Sets limits / guidelines on the value of gifts, hospitality or expenses that may be given without special authorisation from Cotecna's Compliance Committee.
- ii. Provides employees with guidelines on the circumstances under which (a) gifts, hospitality or expenses may be received and (b) gifts may be kept by Employees or should be surrendered to Cotecna's management for disposal.
- iii. Provides employees with general criteria for the compliance of gifts, hospitality and expenses with this Code. Examples of such criteria are that they should be:
  - > **Made for the right reason:**  
the gift or entertainment should be given clearly as an act of appreciation or genuine business intent.
  - > **Without obligation:**  
the gift, entertainment or expense does not place the recipient under any obligation.

- > **Without expectations:**  
expectations are not created in the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction.
- > **Made openly:**  
if made secretly then the purpose will be suspect.
- > **In accordance with stakeholder perception:**  
the transaction would not be viewed unfavourably by key stakeholders if it were made known to them.
- > **Reported:**  
the gift or expense should be recorded and reported to management.
- > **Reasonable value:**  
the size of the gift is small or the value of the entertainment accords with general business practice.
- > **Legal:**  
it conforms to the laws of the country where it is made.
- > **In conformance with the recipient's rules:**  
the gift or entertainment meets the rules or code of conduct of the receiving organisation.
- > **Infrequent:**  
the giving or receiving of the items is not a frequent happening between the giver and the recipient.

- iv. All extraordinary expenses / proceeds, falling outside the limits / guidelines set in section 2.4.6, related to gifts, hospitality and expenses, are accounted for in a separate general ledger account in Cotecna's accounting records. Cotecna consolidates all such payments made by any of its operations forming part of its Organisation.
- v. Prepares annually a consolidated management statement of all extraordinary expenses/proceeds.

1.4.7. Accounting and book keeping

Cotecna maintains accurate books and records which properly and fairly document all financial transactions. Off-the-books accounts are prohibited.

**1.5. Fair Marketing**

1.5.1. Cotecna provides guidelines to employees, agents and intermediaries to ensure that they understand and adhere to the Business Ethics & Compliance Principle governing Fair Marketing.

1.5.2. Cotecna's presentations and publications accurately and unambiguously reflect Cotecna's network and affiliations, resources / capabilities, experience and services provided.

## 2. THE RULES : IMPLEMENTATION

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### 2.1. Implementation

Cotecna implements a Business & Compliance Programme, based on this Code, throughout its Organisation. Please refer to the Cotecna Group Compliance Manual for further information concerning how the Programme is implemented.

### 2.2. Compliance Principles and Rules

- 2.2.1. The Cotecna Group Board has confirmed its commitment to implementing this Code by publishing the Cotecna's Business Ethics & Compliance Principles which, at least, reflect the IFIA Compliance Principles.
- 2.2.2. The Cotecna Group Board has confirmed its commitment to implementing this Code by publishing Cotecna's Business Ethics & Compliance Rules which, at least, reflect the IFIA Compliance Rules.
- 2.2.3. Cotecna sends, within one month of publication, a copy of the Business Ethics & Compliance Principles and Rules which apply throughout its Organisation, and any subsequent updates thereof, to the Director General of IFIA for verification of compliance with the IFIA Compliance Code.

### 2.3. Appointment of Compliance Officer

The Cotecna Group Board, which has ultimate responsibility for the Compliance Programme, has nominated a member of senior management as the Compliance Officer, who, irrespective of his other responsibilities has responsibility and authority for the co-ordination of the implementation of the Programme throughout the Cotecna Group. The Compliance Officer reports to the Chief Executive Officer. Additionally, senior managers throughout Cotecna have responsibility for implementation of the Programme in their area of responsibility.

### 2.4. Establishment of a Compliance Committee

The Cotecna Group Board has established a Compliance Committee to initially carry out quarterly reviews of the progress of the Programme and provide policy guidance. The Compliance Committee includes the CEO, as representative of the Group Board, the Compliance Officer and senior management representing Operations, Human Resources and Legal.

### 2.5. Human Resources

- 2.5.1. Recruitment  
Prior to job offer, prospective employees of Cotecna are informed of the Cotecna Business Ethics & Compliance Programme.
- 2.5.2. Employee commitment  
Cotecna ensures that:

- i. each employee is provided with a copy of the Cotecna Business Ethics & Compliance Code and is requested to sign a declaration that it has been received, read and understood. A record is kept in the file of the Employee.
- ii. each Senior Manager is required to sign an annual declaration (see section 2.10.1) that Cotecna's Programme has been implemented in their area of responsibility.
- iii. each employee is required to sign, as a condition of employment, a Non-Disclosure Agreement prohibiting the disclosure to other parties of any confidential business information obtained during the course of his/her employment.

Employees will not suffer demotion, penalty or any other adverse consequences arising from strict implementation of the Programme even if it may result in a loss of business.

#### 2.5.3. Training

All Employees including Managers of Cotecna are required to undergo a Compliance Training Course based on the IFIA Compliance Training Guide. A Record of course completion is kept in the file of each Employee.

#### 2.5.4. Consultation on Code development

Cotecna's Employees have the opportunity to provide input on the development of the Programme during performance evaluations, staff training sessions or at review meetings (directly, through their superior or through staff representatives) or directly to the Compliance Officer.

#### 2.5.5. Employee performance evaluation

Cotecna ensures that each Employee has an on-going understanding of the Cotecna Business Ethics & Compliance Programme during employee performance evaluations.

#### 2.5.6. Employee "help lines"

Cotecna has established "help lines" where Cotecna's Employees may obtain guidance on any question or matter of concern relating to the implementation or interpretation of the Programme. At the Employee's request, any such question shall be dealt with confidentially and the anonymity of the Employee shall be protected to the extent reasonably practicable.

Dedicated Help Line: **+41 (0) 22 849 7814**

Dedicated email address: [compliance@cotecna.ch](mailto:compliance@cotecna.ch)

## 2.6. Security Measures

Cotecna implements adequate security measures in its organisation's premises containing confidential business information to ensure that (i) access is restricted to authorised personnel only and (ii) documents / data are stored in designated secure areas and disposed of in a secure manner.

## 2.7. External communications

Cotecna ensures effective external communications by:-

- 2.7.1. The Cotecna Business Ethics & Compliance Code is published on [www.cotecna.com](http://www.cotecna.com) and copies of the Code are available from any of Cotecna's offices.
- 2.7.2. Enquiries, complaints or feedback from relevant interested parties may be made via the web site, email (<mailto:compliance@cotecna.ch>) or to the General Manager of each of Cotecna's offices.

## 2.8. Reporting of violations

2.8.1. Cotecna's Employees are encouraged to report details of violations or suspected violations to either (a) the Compliance Officer or his/her nominated delegate(s) or (b) the Employee's superior or member of senior management or internal auditor who will, in turn, inform the Compliance Officer or his/her nominated delegate(s).

The reporting Employee is fully protected against any form of reprisal unless he/she acted maliciously or in bad faith. If requested, the Employee's anonymity will be protected to the extent reasonably practicable.

2.8.2. Cotecna's Employees are required to report any solicitation for, or offer of, an improper payment or advantage coming to their knowledge in the same manner as provided for under section 2.8.1.

## 2.9. Investigations and sanctions

2.9.1. The Compliance Officer or his/her nominated delegate(s) initiates, where appropriate, an investigation into any violation of the Programme reported to him/her or coming to his/her knowledge.

2.9.2. The Compliance Officer maintains a documented procedure, approved by the Compliance Committee, for the handling of investigations and sanctions which includes requirements for:

- i. The maintenance of records of all reported violations and subsequent actions taken.
- ii. The alleged perpetrator of such violation to have the right to be heard.
- iii. The Cotecna management or Compliance Committee to decide on the appropriate corrective and disciplinary measures to be implemented if a violation has been established. These measures may include a reprimand, demotion, suspension or dismissal
- iv. The Compliance Officer to receive progress reports from his/her nominated delegates and/or the management in the locations concerned and prepare quarterly summary reports for the Compliance Committee on investigations, violations established and the implementation of corrective actions and disciplinary measures.

## 2.10. Effectiveness of the Programme Implementation

2.10.1. Management declarations

Cotecna requires its Senior Managers throughout its Organisation to prepare and sign, on an annual basis, a Compliance Declaration which, as a minimum, is based on the template contained in Annex A. These Compliance Declarations are to be received, in respect of all applicable locations and/or activities, by the Compliance Officer by the 15th of January of each year. The Compliance Officer submits an annual summary report to the Compliance Committee by 15th February.

2.10.2. Internal audits

Cotecna's internal auditors, as part of their internal audit plan, verify that the Cotecna Business Ethics & Compliance Code has been implemented within the Organisation and that the Management Declarations, as per section 2.10.1:

- i. have been completed in conformance with Annex A and
- ii. reflect compliance with the Principles and Rules and

- iii. in respect of those locations selected for site audits, correctly reflect the actual situation. Such site audits shall review the processes in place and include testing, on a sampling basis, to ensure the effective application and implementation of the Programme. The IFIA Guidance Check List for Cotecna's Internal Compliance Audits will be used for guidance or reference as appropriate.

The compliance findings resulting from such audits are reported to the Compliance Officer who submits a summary report to the Compliance Committee. The Compliance Officer and/or Compliance Committee takes follow-up actions where appropriate.

### 2.10.3. External examinations

#### 2.10.3.1 Frequency

The effectiveness of the implementation of the Programme is examined at least annually by Cotecna's appointed independent external audit firm. The required scope of the examination is detailed in section 2.10.3.5.

#### 2.10.3.2. Independent external audit firm

Cotecna's appointed independent external audit firm to carry-out this examination:

- i. will be (i) either the firm engaged for the audit of Cotecna's (consolidated) financial statements or another external audit firm entrusted with auditing the Programme and, in either case, (ii) a member of a recognised national professional accountancy organisation or approved by the IFIA Council as being appropriately qualified for the verification of the Programme

and

- ii. will be an international audit firm having offices in most countries or regions where the Cotecna operates and employing a uniform international audit approach and methods.

#### 2.10.3.3. Use of complementary external audit firms

- i. If, as per section 2.10.3.2(b), there are countries of Cotecna's operation where the international audit firm does not have offices and it is necessary to use different external audit firms (which shall comply with section 2.10.3.2(a) ), or correspondent audit firms which do not apply a uniform approach and methods, Cotecna and its international external audit firm, are required to report to the Director General of IFIA on the arrangements made to ensure that a consistent examination of the Programme implementation is achieved in respect of all locations. In such cases, Cotecna's international external audit firm acts as the co-ordinator of the other external audit firms and prepare one consolidated Assurance Report.
- ii. Cotecna's appointed external audit firm may, by agreement with Cotecna, utilise the services and reports of independent management system certification or accreditation bodies which have performed audits of Cotecna's management systems based on international standards. However, such certification and accreditation bodies or their reports shall not be used for the verification of financial and related aspects, included in the Anti-Bribery Rules and section 2.11 of this Code, without the prior approval of the IFIA Council.

#### 2.10.3.4. Notification to IFIA of COTECNA's appointed external audit firm(s)

Prior to the appointment of the external audit firm(s), or any subsequent proposed changes thereof, Cotecna submits details to the Director General of IFIA for confirmation of compliance with IFIA requirements.

#### 2.10.3.5. Scope of examination

For the purposes of demonstrating that Cotecna is in conformance with the IFIA Compliance Code, Cotecna requires the external audit firm to :-

- i. Perform, as a minimum, the following assurance Review Procedures based on ISA as adapted for the IFIA Compliance Code :
  - > Verify that Cotecna’s current Business Ethics & Compliance Code remain identical to those submitted to, and approved by, IFIA.
  - > Verify that Cotecna has established a Programme incorporating the requirements of the Code.
  - > Observe the existence of internal management systems, processes and controls in respect of (a) alleged violations (b) Compliance Committee records and (c) compliance training.
  - > Review the following consolidated management statements:
    - Political Contributions
    - Charitable Contributions and Sponsorships
    - Intermediaries' remuneration
    - Extraordinary expenditures relating to gifts, hospitality and expensesand verify whether these statements:
    - reconcile with the accounting records and supporting documentation
    - have been approved by the Compliance Committee where applicable.
  - > Verify that all Management Declarations have been received and test the follow-up systems employed for ensuring that all matters of concern or reports have been addressed or acted upon by the Compliance Officer or, where applicable, his/her nominated delegate(s).
  - > Any other areas and audit procedures as considered appropriate by the external audit firm and agreed with Cotecna.
- ii. Perform the assurance Review Procedures, as per section 2.10.3.5(a), by audit sampling in respect of both Cotecna’s locations and the systems and documentation applicable to those locations. The audit sampling is to be agreed between the auditor and Cotecna, based upon a compliance risk assessment and taking into account the Cotecna’s organisation and peculiarities.
- iii. Maximise the use of the services of Cotecna’s Corporate Internal Audit function and / or Internal Quality Auditors to avoid duplication of efforts and minimise additional costs.

#### 2.10.3.6. External audit firm's “Assurance Report”

- i. Cotecna requires the external audit firm to issue an Assurance Report based on the Proforma Assurance Report contained in Annex B, which is provided for guidance and may be adjusted as considered appropriate by the external audit firm and/or as may be required by professional standards.
- ii. Cotecna instructs their external audit firm to send a copy of their Assurance Report to the Director General of IFIA within 6 months of Cotecna’s financial year-end closing date.

#### 2.10.3.7. Reportable Conditions

Reportable Conditions, which are detected by the external audit firm during performance of the Assurance Review Procedures, shall be reported in the Assurance Report regardless of whether or not Cotecna has already taken corrective action.

The external audit firm shall not be required to include any minor non-conformities detected in their Assurance Report: these shall be communicated separately only to Cotecna's management for corrective action within the time frame stipulated by the auditor.

### 2.11. Application of the Cotecna's Principles and Rules in business relationships

To ensure that Cotecna's Business Ethics & Compliance Principles and Rules are applied, to the extent appropriate, in its business relations with parties external to the Organisation such as intermediaries, joint venture partners, agents and subcontractors, contractors and suppliers, the Compliance Committee develops and distributes appropriate procedures / work instructions. These procedures incorporate the following requirements:

#### 2.11.1. Intermediaries

To ensure (a) the Intermediary's compliance with the Cotecna Business Ethics & Compliance Code and (b) avoid improper payments being channelled through Intermediaries, Cotecna includes:

- 2.11.1.1. Prior to appointing an Intermediary, or renewing or substantially revising the terms of the appointment of an Intermediary appointed prior to the entry into force of this Code, conduct due diligence which includes:
- i. A risk analysis
  - ii. An interview with the Intermediary
  - iii. Providing the Intermediary with a copy of the Cotecna Business Ethics & Compliance Code and requesting confirmation that, in the event of his/her/its appointment, or re-appointment, she/he/it accepts that her/his/its contract with Cotecna requires his/her/its full compliance with the Principles and Rules and allow that this may be periodically verified by Cotecna.
  - iv. An investigation of the Intermediary's background which, for Intermediaries required to deal with government officials, is performed by an independent investigator and the findings reviewed and approved by the Compliance Committee.
  - v. A verification that the compensation paid to each Intermediary is an appropriate and justifiable remuneration for legitimate services rendered, and does not facilitate improper payments by an Intermediary, through:
    - > A remuneration analysis. This may include, where appropriate, consideration of:
      - the remuneration of other Intermediaries already used by Cotecna for performing a similar function
      - quotations from other prospective Intermediaries
      - local market information on rates paid to Intermediaries
      - justification for the rate proposed for the prospective Intermediary,
- and

- > A review of the remuneration analysis and, for Intermediaries required to deal with government officials, an approval by the Compliance Committee prior to appointment of the prospective Intermediaries.
- 2.11.1.2. Monitor the Intermediary's continual compliance with Cotecna's Business Ethics & Compliance Code and, in the event of breach, take remedial action which could, for serious breaches, result in termination of the contract.
- 2.11.1.3. Where appropriate, undertake to provide training and support to the Intermediary.
- 2.11.1.4. Maintain records of fulfilment of the above mentioned requirements, including a copy of the contract with the Intermediary, integrating the Cotecna Business Ethics & Compliance Principles.
- 2.11.1.5. Account for the intermediaries' remuneration in a separate general ledger account in Cotecna's accounting records. Cotecna consolidates all such payments made by any of its operations forming part of its Organisation.
- 2.11.1.6. Prepare annually a consolidated management statement of intermediaries' remuneration.
- 2.11.1.7. Not deal with prospective Intermediaries which it knows to be involved in bribery.
- 2.11.2. Joint venture partners
  - 2.11.2.1. Cotecna conducts due diligence of prospective joint venture partner(s), as outlined in section 2.11.1.1.
  - 2.11.2.2. Cotecna does not deal with any joint venture partner(s) which it knows to be involved in bribery.
  - 2.11.2.3. Cotecna monitors the joint venture partner's compliance with the Cotecna's Business Ethics & Compliance Principles through monitoring of its conduct and, as appropriate, periodic verification.
- 2.11.3. Agents and Subcontractors
  - 2.11.3.1. Cotecna undertakes due diligence of prospective agents and subcontractors, as outlined in section 2.11.1.1.
  - 2.11.3.2. Cotecna provide, where appropriate, training for agents and subcontractors.
  - 2.11.3.3. Cotecna does not deal with agents and subcontractors which it knows to be involved in bribery.
  - 2.11.3.4. Cotecna monitors the agent's or subcontractor's compliance with the Cotecna Business Ethics & Compliance Principles and Rules through monitoring of its/their conduct and, as appropriate, periodic verification.
- 2.11.4. Contractors and suppliers
  - 2.11.4.1. Cotecna conducts its procurement practices in a fair and transparent manner.
  - 2.11.4.2. Cotecna undertakes due diligence in evaluating major prospective contractors and suppliers. The Compliance Committee provides guidance to Employees on the definition of "major prospective contractors and suppliers" and the scope of due diligence.
  - 2.11.4.3. Cotecna makes known its Business Ethics & Compliance Principles to major contractors and suppliers.

- 2.11.4.4. Cotecna avoids dealing with contractors and suppliers which it knows to be involved in bribery.

## 2.12 Complaints and Disciplinary Procedures

Complaints concerning alleged non-Compliance with the IFIA Compliance Code (Second edition) by other members of IFIA shall be lodged with IFIA in accordance with the IFIA Complaints and Disciplinary Procedures.

Cotecna refrains from submitting such complaints to other parties unless it is necessary to do so to protect Cotecna's reputation.