

# ANTICORRUPTION CODE





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## Declaration by the Chief Executive Officer

As a prominent player in the global civil and military aeronautical sector, Dassault Aviation operates with integrity, fairness and honesty, and in compliance with laws in effect in the countries in which it does business.

In 2001 it set out its values, its identity and its ethics in a Code of Conduct.

This Code of Conduct deals with the social, human, economic and environmental dimensions of the company's activities, laying down the ethical code that governs the dealings of its members with clients, suppliers and partners.

As an extension of this commitment, the company is putting in place an additional mechanism for the prevention of corruption and influence peddling.

For Dassault Aviation applies a 'zero tolerance' policy in this area.

This attitude now specifically takes the concrete form of an Anticorruption Code adopted by the company. This Code has been drawn up to describe Dassault Aviation's policy, and to enable each of the company's employees to understand and fulfil the obligations arising from this policy and to appreciate the harmful consequences of non-compliance.

Our vigilance and day-to-day commitment in this area will protect over time the good reputation and legal security of our company.

I am counting on you.

A handwritten signature in black ink, consisting of stylized, overlapping strokes that form a unique, cursive-like mark.

Éric Trappier

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# 1. OUR VALUES

Dassault Aviation carries out its business in compliance with the national laws and international conventions in force in the countries in which it operates.

As well as complying with the relevant laws, the company adheres to a strict ethical code in its activities and expects its employees to respect the principles of integrity, fairness, transparency and honesty.

Dassault Aviation has set out in its Code of Conduct the values that are to serve as a unifying basis for the activities of all its employees and the conduct of each individual in his or her dealings with the company's clients, suppliers and partners.

Within the context of this ethical approach, the company has put in place an additional mechanism specifically designed to prevent corruption and influence peddling, practices that are both reprehensible in themselves and very harmful to the image of Dassault Aviation and to that of the individuals who make up the company.

Thus Dassault Aviation reaffirms its determination to apply a 'zero tolerance' policy towards corruption and influence peddling, and to ensure total compliance with the laws and international agreements applicable to it.

# 2.

## OVERVIEW OF THE ANTICORRUPTION CODE

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### 2.1. Purpose of the Code

This Code has been drawn up in order to set out the various types of conduct to be prohibited as being liable to characterize corruption and influence peddling, and in order to present the mechanism being implemented by Dassault Aviation in order to prevent and detect such activities.

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### 2.2. Scope

The Code applies to all employees of Dassault Aviation.

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### 2.3. Penalties

Without prejudice to the penalties imposed under the terms of the legislation applicable in this area, any failure to comply with the Anticorruption Code is liable to give rise to application of the disciplinary penalties set out in the internal regulations of the establishments concerned.

# 3.

## CORRUPTION AND INFLUENCE PEDDLING: WHAT ARE THEY?

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### 3.1. Definition of corruption

Corruption is a criminal offence under the French Criminal Code. It may take various forms: active or passive, direct or indirect, relating to a public official or a private individual, national or international. In general terms, and as a simplification, corruption involves proposing or providing (or indeed requesting or receiving) a form of gain in return for the accomplishment (or non-accomplishment) of a deed.

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### 3.2. The various forms of corruption

#### **Active corruption (by the corrupting party)**

Active corruption is characterized by an individual (the corrupting party) promising, offering or providing a form of gain of any kind to another individual (the corrupted party), for the latter party or for another party, so that the latter individual will carry out, or refrain from carrying out, a deed that is within his or her job description or is facilitated by his or her position.

It also designates an agreement to provide a form of gain of any kind to an individual requesting it, in return for the accomplishment of deeds within his or her job description or mandate.

All that is required is the making of offers or promises by the corrupting party, whether or not these are accepted by the other party, for criminal proceedings to be instigated. Accomplishment of the deed concerned

or receipt of unjustified gain is not in fact required for the offence to be committed.

Finally it is of little importance whether the unjustified gain is provided before or after accomplishment of the deed. Thus subsequent gratification may give rise to the imposition of penalties in the same way as the initial promise.

#### **Passive corruption (by the corrupted party)**

Passive corruption consists of an individual (the corrupted party) seeking to elicit or accepting a form of gain of any kind, for him- or herself or for another party, so that said individual will carry out, or refrain from carrying out, a deed that is within his or her job description or is facilitated by his or her position.

All that is required to characterize the offence of passive corruption is the mere seeking of gain, even if the other party does not accede to any request made, as well as the mere acceptance that a form of gain will be provided without said gain actually being provided.

Criminal proceedings may be instigated regardless of whether the form of gain concerned is actually received or whether the deed expected in return is carried out.

The provision of a form of gain to reward a deed already carried out is prohibited in the same way as the provision of gain prior to accomplishment of the deed expected in return.

#### **Public or private corruption**

Most legal systems impose punishments for

corruption in the private sector (between the employee of a company and a client of said company) in the same way as they do the corruption of public officials (between the employee of a company and a member of a state authority for example).

#### **National or international corruption**

Corruption may take place regardless of the nationality of the protagonists (national, international or foreign public officials), and whether the offence (promise, offer, request, payments, etc.) is committed on national or foreign territory.

#### **Direct or indirect corruption**

Gains promised or provided indirectly, through a consultant, a friend, a relation or a company controlled directly or indirectly by the beneficiary of the corruption, are prohibited in the same way as gains promised or provided directly to said beneficiary.

Thus the use of intermediaries or companies, in particular those of a foreign nationality, must be the subject of particular vigilance, as the company may be held liable for reprehensible actions on the part of third parties whose services it may use for the purposes of its activities.

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### **3.3. Definition of influence peddling**

Influence peddling is a criminal offence under the French Criminal Code. Closely related to corruption, it may take several forms: active or

passive, direct or indirect, national or international. Influence peddling refers to a situation in which an individual abuses his or her influence (whether genuine or supposed) to obtain distinctions, employment, deals or a favourable decision, in return for the promise of a form of gain.

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### **3.4. The various forms of influence peddling**

#### **Active influence peddling**

Active influence peddling involves offering, promising or providing any form of gain to an individual (whether a public official or a private individual), for themselves or others, in return for the past or future exertion of genuine or supposed influence on a public official, an authority or an administration in order to obtain distinctions, employment, deals or any other favour.

It also consists of accepting any form of gain, or providing said gain to an individual soliciting it, in return for the exertion of such influence.

All that is required for the offence of influence peddling to be committed is the mere offering or promising of any form of gain, even if the other party does not accede to it, or the mere agreement to a request.

As a consequence, a criminal conviction may result regardless of whether the form of gain sought is actually provided, whether the supposed influence is exerted, or whether the desired decision or favour is obtained.



### **Passive influence peddling**

Passive influence peddling takes place when a person (whether a public official or a private individual) seeks or accepts any form of gain, for him- or herself or for another party, in return for the past or future abuse of genuine or supposed influence on a public official, an authority or an administration in order to obtain distinctions, employment, deals or any other favour.

Just as in the case of corruption, all that is required to characterize the offence in its passive form is the mere seeking and the mere acceptance of gain, even if the other party does not provide said gain.

Thus criminal proceedings may be instigated regardless of whether the form of gain sought (the contract, deal, gift, etc.) is actually provided, whether influence is actually exerted as desired, or whether the decision or favour is actually obtained.

### **National or international influence peddling**

Most legal systems, including the French one, prohibit influence peddling by public officials in the country concerned, or by international or foreign public officials.

### **Direct or indirect influence peddling**

Just as in the area of corruption, gains promised or provided indirectly are prohibited in the same way as gains promised or provided directly.

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## **3.5. Some additional definitions**

- The concept of gain is not restricted to the payment of money. The following elements can also be described as forms of gain (and are commonly known as 'bribes') :
  - gifts, meals, entertainment, travel and other forms of hospitality ;
  - benefits in kind, such as the use of an apartment or a car ;
  - preferential treatment, such as offers of employment or an internship for the corrupted party or a friend or relative of his or her ;
  - a commission, which may in particular take the form of a percentage of the value of the deals or contracts obtained, or a discount on the sale price of an item.
- The service sought in return may for example consist of :
  - The obtaining or renewal of a public contract ;
  - The obtaining or renewal of a private contract ;
  - The granting of a licence or a franchise ;
  - The obtaining of official approval ;
  - Tax benefits or customs advantages ;
  - The disclosure of confidential information to a competing company.
- The term 'public official' shall denote any individual in a position of public authority, tasked with a mission of public service, or in elected public office, within the national territory, abroad, or within an international organization.

Said individual may, for example, be the member of a government, a deputy, an employee in a tax authority, a police officer or customs official, a magistrate, a European civil servant, an arbitrator, or a member of an international organization.

The term 'private official' shall in contrast cover any individual who has not been appointed as a public official.

Most legal systems, including the French one, prohibit corruption and influence peddling in all their forms, whether passive or active, direct or indirect, public or private, national or international.

It is up to each of the company's employees to acquire an understanding of the various forms that these offences may take, in order to avoid acting in a way that may be perceived as constituting such an offence, and to obtain the necessary information regarding the person he or she is doing business with.

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### 3.6. What is at stake in the fight against corruption and influence peddling?

Incidents of corruption or influence peddling leave Dassault Aviation - and / or its employees guilty of such behaviour - open to very harsh criminal and civil penalties.

In France, individuals guilty of corruption or influence peddling may receive prison

sentences of 5 to 15 years and fines of 500,000 to 1 million euros, with the amount concerned set at the equivalent of double the amount received from the offence. Additional sanctions (such as a ban on continuing with the professional or social activity in the course of which the offence was committed, or the removal of civic, civil or family rights, etc.) may also be imposed.

Legal entities may receive fines of 2.5 million to 5 million euros, with the amount concerned set at the equivalent of double the amount received from the offence. Additional sanctions (such as a ban on continuing with professional or social activities, the imposition of judicial supervision, the closure of establishments in which the offence was committed, exclusion from bidding for public contracts, a ban on issuing shares, etc.) may also be imposed.

Civil proceedings may also be instigated against the company by victims of the offence.

A conviction for corruption or influence peddling, or indeed mere suspicions in this area, may also have very serious consequences for Dassault Aviation and its employees, in terms of image and reputation.

# 4.

## CONDUCT TO BE ADOPTED IN DAY TO DAY BUSINESS

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### 4.1. Rejecting all forms of corruption and influence peddling

Company employees must not :

- propose, promise to give, give or agree to give, a gift, a sum of money or any other form of gain, in exchange for - or in the hope of - obtaining a decision, a deal, a contract or a favour of any kind or in return for a decision, a deal, a contract or a favour ;
- accept or seek to elicit a gift, a sum of money or any other form of gain that they know or suspect has been promised or offered in exchange for - or in the hope of - obtaining a decision, a deal, a contract or a favour of any kind, or as a reward for a decision, a deal, a contract or a favour ;
- propose, promise to give, give or agree to give, a gift, a sum of money or any other form of gain, in exchange for - or in the hope of - an individual abusing his or her influence, whether genuine or supposed, in order to obtain a decision, a deal, a contract or a favour of any kind from a public official, an authority or an administration ;
- accept or seek to elicit a gift, a sum of money or any other form of gain that they know or suspect has been promised, requested or offered in exchange for or in the hope of an abuse of influence, whether genuine or supposed, in order to obtain a decision, a deal, a contract or a favour of any kind from a public official, an authority or an administration.

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### 4.2. Gifts and hospitality

Gifts and hospitality, whether received or offered, are a form of courtesy that may contribute to ensuring satisfactory business relations.

They may take the form of gifts, meals, travel, or invitations to professional, sporting, cultural, artistic or other events.

These practices vary according to the country, the customs applied there and the nature of the commercial activities. They are not in themselves generally prohibited, but may under certain circumstances constitute corruption or influence peddling.

Before providing or receiving such gifts or hospitality, each of the company's employees must ensure that the following conditions have been met:

- they are given without anything being expected in return ;
- they are given in a strictly professional context ;
- they comply with normal business practice, and are in any case limited and proportionate in terms of value and frequency ;
- they have been provided and received in total transparency and recorded as such.

It is in all circumstances strictly forbidden to offer or accept sums of money in the form of cash or in an equivalent form (such as gift vouchers).

Each employee must moreover remain vigilant as to the context in which the gifts and hospitality are being received or offered. They must be avoided in the case of invitations to tender, before a contract is signed, in the course of the administrative procedure during which a licence, a permit, or certification is being sought, etc.

Should a gift or hospitality that does not meet the above conditions be offered to one of the company's employees, he or she must decline it and explain that the company's policy prohibits him or her from accepting it, or else obtain express written and documented authorization from his or her line manager beforehand.

If the person the employee is dealing with is a public official, said employee must remain especially vigilant, ensuring that the applicable laws in the country concerned do not prohibit gifts or hospitality being provided to public officials.

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### 4.3. Facilitation payments

Facilitation payments are small and unofficial amounts of money paid out in order to secure or accelerate an administrative procedure. These practices are prohibited under numerous legal systems, including the French one, and tolerated under others.

Under the company's policy, facilitation payments are forbidden.

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## 4.4. Political and religious donations, sponsorship and patronage

### Political and religious donations

The company operates with strict political, religious and philosophical neutrality; it prohibits any funding of political parties, elected representatives or candidates, in compliance with current legislation.

### Sponsorship and patronage

'Patronage' may be defined as the provision of material, financial or human resources to a project or an organization of general interest, without seeking anything in return.

'Sponsorship' may be distinguished from patronage in that it consists of material or financial support provided to an organization in return for a direct benefit.

Participation by the company in patronage and sponsorship operations must take place in compliance with the legislation in force in the countries concerned and with total transparency.

These operations must moreover be carried out in accordance with the Company's values and priorities and with its communications strategy.

Any employee approached for sponsorship or patronage must therefore inform his or her line manager, who will decide on the appropriate response.

### **Lobbying**

'Lobbying' may be defined as an activity consisting of exerting influence on public decision-making, in particular with regard to the contents of a law or a regulatory decision, through communications or dialogue with public officials.

Dassault Aviation sometimes announces its position on certain matters that are the subject of forthcoming decisions by the public authorities.

Within this context, all that should be contributed is the company's experience and technical expertise, to enable the authorities to reach an informed decision. Said contribution should be made with full transparency and with the sole aim of furthering the satisfactory functioning of our institutions and the efficacy of the laws and regulations.

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## **4.5. Conflicts of interest**

A conflict of interest may be defined as a situation in which an individual has personal interests liable to influence the impartial accomplishment of his or her duties and fulfilment of his or her objectives.

Conflicts of interest lead to difficult situations in which the independence of the parties may be called into question. And above all they may give rise to corruption or influence peddling.

Company employees must therefore do

everything possible to identify any situations in which conflicts of interest may arise for them, and inform their line managers so that the latter can implement the appropriate measures. The acquisition by company employees of direct or indirect interests in a client or supplier is prohibited.

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## **4.6. If in doubt, what steps to take**

It is up to each of the company's employees, when faced uncertainty as to the conduct to adopt in carrying out his or her activities, to refer to this Code or to seek advice from his or her managers, from the Ethics Department, or from one of the company's ethics advisers.

# 5. ANTI-CORRUPTION MECHANISM

The anti-corruption mechanism adopted and put in place by the company, with this Code as its backbone, is made up of the following elements:

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## 5.1. A dedicated structure

The company has put in place a dedicated structure, tasked with defining and implementing the policy drawn up to prevent and detect corruption and influence peddling. It is also responsible for ensuring the efficacy and suitability of this mechanism.

The structure is run by the Director of Ethics, who is independent, reports directly to the Chief Executive Officer, and has all the skills and resources required in order to ensure implementation of, and compliance with, the mechanism.

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## 5.2. Mapping out the risks

Dassault Aviation has a risk-mapping document, which is kept up to date and which identifies and ranks the operational risks for each of its major areas. In it, the risks relating to corruption and influence peddling are identified, in particular for each of the activities and geographical areas concerned.

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## 5.3. A Training system

The company organizes training sessions designed to raise the most exposed employees' awareness of the risks of corruption and influence peddling, and to instil in them the reflexes required in order to prevent such risks from arising.

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## 5.4. Procedures for validating the situation of clients, major suppliers and intermediaries

When signing contracts with clients or major suppliers, the company deploys an assessment procedure that is tailored to reflect the risk-mapping for corruption and influence peddling, and in particular that imposes due-diligence prior verification and the obtaining of declarations and commitments from these third parties.

Likewise, the use of intermediaries is carried out by means of rigorous selection, assessment and validation procedures carried out by dedicated committees.

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## 5.5. Procedures for the verification and monitoring of accounts, and for internal auditing

The Ethics Department is in charge of monitoring the mechanism put in place, in order to ensure its efficacy and adequacy. It reports to the Chief Executive Officer.

Within their respective remits, the financial and internal auditing department check for accounting irregularities that may indicate occurrences of corruption or influence peddling.

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## 5.6. An internal alert mechanism

The company's employees are provided with an internal alert mechanism, enabling them to report, in a disinterested manner and in good faith, using a dedicated email, any non-compliance with the Code that they may witness.

The company's employees may also use this mechanism to report any crimes or misdemeanours, any serious and clear infringements of international commitments or of laws or regulations, or any threats or serious damage, of which they may become aware.

This 'right to alert' must be exercised in compliance with the applicable laws and with the company's Internal Alert mechanism.

Dassault Aviation guarantees strict confidentiality of the information obtained and prohibits the imposition of discriminatory measures on any individuals exercising their right to alert in good faith.



**Ethics Department**

78, quai Marcel-Dassault – 92552 Saint-Cloud Cedex 300 – Tel.: +33 1 47 11 40 00

Head office: 9, Rond-point des Champs-Élysées – Marcel Dassault – 75008 Paris – France – Public limited company with capital of 66495368 euros - 712 042 456 RCS Paris

[www.dassault-aviation.com](http://www.dassault-aviation.com)