



*Anti-corruption
Code of Conduct*

Anti-Corruption Code of Conduct

It defines and supports our position on transparency in our commercial relations. We take the social responsibility of our Company seriously.

We count on your commitment, vigilance and support in complying with the expected actions and behaviors.

Our Ethics Charter formalizes the rules of conduct that apply to all our Employees.

The fight against corruption is the foremost of these principles. It is not only a question of each Horiba employee adopting irreproachable behavior, but also of taking an active part in preventing corruption within the framework of their activities.

This system is particularly based on the identification of corruption risks and influence peddling, the principles of expected actions and behavior, compliance with this Code and applicable sanctions.

We remind you that we have appointed an Ethics Committee in charge of managing the Company's compliance with the new legal provisions resulting from the Sapin2 law and HORIBA group's "fairness in business" program.

This Committee is chaired by the Finance Director, and composed of the Quality Director, the Human Resources Director and the Head of Legal Affairs.

This committee will set up a policy and tools to fight corruption and influence peddling, train and manage employees' actions to ensure that all our actions comply with best practices and behaviors in conducting our business.

Arnaud Pradel
General Director



Sylvain JACQUEMIN
Deputy General Manager



Dr. Jai Hakhu
President

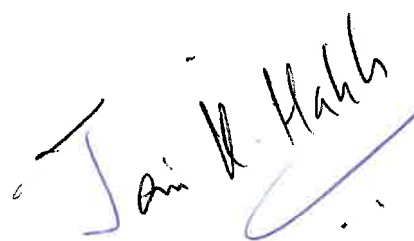


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Introduction

Committing an act of corruption or influence peddling is a serious act that may have significant legal and financial consequences for HORIBA ABX SAS, as well as its subsidiaries, and also permanently damage the Group's reputation.

In order to effectively fight corruption, national and international legislation has been increasing and strengthening for several years. Within this context, HORIBA ABX SAS, pursuant to Article 17 of the law of December 9, 2016, known as the "Sapin 2 Law", is developing a specific compliance programme for preventing and detecting corruption, of which this Anti-Corruption Code of Conduct (hereinafter the "Code") forms an integral part.

In accordance with the Sapin 2 Law, this Code is annexed to the HORIBA ABX SAS rules of procedure.

More specifically, the purpose of this Code is to remind everyone of:

- The business principles relating to the fight against corruption and influence peddling;
- The behaviors to adopt in this regard.

In any event, if local legislation is more stringent than the principles set out in the Code of Conduct, the strictest rule must be followed.

For whom is the Anti-Corruption Code of Conduct intended?

The Code applies to all internal employees (1) and external and casual employees (2) (hereinafter referred to as "the employees") working for HORIBA ABX SAS.

It applies to all the stakeholders involved, starting with the managers and employees as well as external or casual employees (trainees, temporary workers or service providers who have been working for more than 6 months in the Company) of HORIBA ABX SAS.

It applies in the same manner to Employees of foreign branches who are made available to HORIBA ABX SAS.

Finally, the Code applies to Employees of foreign subsidiaries.

Note that this document may be consulted by Employees on the Human Resources communication database within the Company. It can be sent on request to anyone who does not have access to it.

This Code does not claim to be exhaustive and is not intended to cover all the situations with which Employees may be confronted. It sets out the rules that should govern their decisions. It is therefore up to everyone to read this Code carefully, understand the rules set out therein, and exercise discernment in the various situations that may arise.

¹ **Internal employee** refers to any person holding an employment contract within the company.

² **External and casual employee** refers to trainees, temporary workers or service providers working on an assignment for at least X [duration to be specified as required] on the Company's premises.

A training programme also complements the prevention of corruption and influence peddling system for those personnel most exposed to it.

Training modules dedicated to the fight against corruption and influence peddling give certain employees who are more exposed to this a better understanding of the issues and risks of exposure to corruption and enable them to cultivate best practices.

I. WHAT IS CORRUPTION AND INFLUENCE PEDDLING?

A. Corruption

The generic term “corruption” refers to corruption itself and influence peddling.

An act of corruption is committed when a gift or undue advantage of any kind is offered or granted to a person in a public or private position, in order to get that person to perform, delay or fail to perform an act within the scope of their duties.

- Corruption is **said to be public** when it involves persons performing a public function (hereinafter referred to as “public official”).
- Corruption is **said to be private** when the offense of corruption involves only natural or legal persons in the private sector.

What is a Public Official?
The notion of public official must be interpreted broadly and refers to any person holding public authority, entrusted with a public service mission or holding elected public office.
A foreign public official must also be qualified as any other person holding public authority, entrusted with a public service mission or holding elected office in a foreign State or a public international organization.

In addition, there are **two types of corruption**:
Corruption is active, when it is the person who corrupts who initiates corruption by offering or providing something in order to obtain an unfair advantage.

This “something” can take different forms:

- Money (cash, transfers or other) whose means of payment can be concealed (false invoices, consultant fees, donations, sponsorship, etc.),
- Benefits in kind (participation in events, entertainment, travel, gifts, hiring family members or friends, etc.).

Similarly, an undue advantage may take the form of preferential treatment, contract signature, disclosure of confidential information, "guilty" inaction in a situation in which one turns a blind eye when one should act, etc.

Corruption is passive, when the act of corruption is initiated by the person who is corrupt, i.e. the person who does or does not perform an act in exchange for a consideration that they solicit or accept.

The offense of corruption is established by the **mere promise of** an undue advantage, even if this advantage is not ultimately attributed.

- A **"bribe"** is when a person gives or promises another person a valuable asset in order to obtain preferential treatment.

For example, making a donation to the charity chosen by a Public Official with whom we hope to sign a contract for a new contract is considered a bribe.

- **Kickbacks** consist of giving or receiving payments as a reward for awarding a contract or attributing any other preferential treatment or commercial transaction.

For example, if one of our suppliers pays a HORIBA ABX SAS employee a percentage of our purchase price in exchange for continuing our professional relations, this is a kickback.

- The term **"facilitation payment"** refers to payments made to a Public Official (and not to a government agency) to guarantee or accelerate certain mandatory and legal administrative formalities.

For example, paying a small amount directly to a junior public official to allow goods detained in customs to pass through is considered a facilitation payment. If you find yourself in a situation where you are asked for a facilitation payment, you must indicate that your company's internal policy does not allow you to satisfy such a request and immediately contact the **Ethics Committee**.

Q. During a contract renewal period, you offer the director of a Public Hospital an invitation for two people to a renowned international jazz festival, including airfare and a night in a hotel for two people. Is this situation tantamount to an act of active corruption?

A. Yes. You offer an undue advantage and, in addition, during a "prohibited" period.

B. Influence peddling

An act of influence peddling is committed when a gift or undue advantage is offered or granted in order for the beneficiary to use their influence, real or supposed, in order to obtain a favorable decision from a public authority.

It involves **three actors**:

- The one who provides benefits or donations,
- The one who uses the credit they have because of their position,
- The person who has decision-making power (public authority or administration, magistrate, etc.).

The common point of corruption and influence peddling is the misuse of the function exercised by the beneficiary of the undue advantage (the corrupt official) who pays for the power or influence that their position gives them, in their personal interest, direct or indirect.

Committing the offense of influence peddling gives rise to the same penalties as those required for the commission of the offense of public corruption.

Q. You are waiting for authorization from the Ministry of Health of a foreign country for one of your distribution projects. One of your contacts with their childhood friend who works in this ministry offers to help you plead your case in order to be selected to distribute the company's solutions in this country, in return for a sum of money for their benefit. Is this situation tantamount to an act of influence peddling?

A. *Yes, if you accept this proposal. This is influence peddling (even if the company is not selected). Moreover, in terms of influence, there is no need to highlight that "something of value" has been given to the "corrupt". It is enough to highlight the capacity for influence.*

C. Anti-gift procedure

The Public Health Code prohibits persons manufacturing or marketing health products or services from offering or promising benefits in cash or in kind in any form whatsoever, directly or indirectly, to health professionals whose list is defined by law³, unless they are subject to an agreement governing declaration or authorization procedures.

³ Article 1 of the Order of January 19, 2017 on the benefits offered by persons manufacturing or marketing health products or services lists the persons referred to in Article L1453-3 of the Public Health Code, including students in initial training and persons in continuous learning, professional associations, as well as civil servants and employees of State administrations, local authorities and their public institutions.

D. Sanctions

As corruption and influence peddling are intentional offenses, any Employee committing one of these offenses will incur **personal criminal liability** and, in some cases, that of the Group companies. In any event, the commission of an act of corruption or influence peddling by an Employee necessarily has an impact on HORIBA ABX SAS's reputation and, consequently, on its activities.

The offense of corruption may give rise to the following sanctions in France:

- **Natural person:** 5 to 10 years' imprisonment and a fine of €500,000 to €1,000,000 or double the benefit derived from the infringement.

Additional penalties may also be imposed (prohibition to practice, placing under judicial supervision, posting or publication of the decision, confiscation, etc.).

- **Legal person:** €2,500,000 to €5,000,000 in fines or double the benefit derived from the infringement.

Additional penalties may also be imposed (dissolution, closure of an establishment, exclusion from public procurement, posting or publication of the decision, confiscation, etc.).

Offering benefits to health professionals is also punishable by a penalty of 2 years' imprisonment and a fine of €150,000 for natural persons and up to €750,000 for legal persons.

II. PRINCIPLES OF ACTION AND EXPECTED BEHAVIOR

This chapter provides the information required to understand and implement the rules to be observed by Employees in their activities to prevent and fight against corruption.

A. Gifts and invitations

Offering gifts and entertainment is often considered as an act of courtesy to strengthen business relationships. The nature of these practices varies considerably according to the country, its customs, the company, the commercial relationship, etc.

However, anti-corruption rules prohibit the offer of gifts, entertainment and other valuable items to a third party in order to obtain an undue advantage or to exercise any unjustified influence on any official action.

Thus, the offer or acceptance of gifts or invitations may be considered as one of the obvious forms of corruption, particularly within the context of a commercial transaction with a Client or an application for authorization/licensing from a Public Official.

Rules to be respected:

- Gifts and invitations offered by the Employee to a Client (public or private sector) or a Public Official, the acceptance of which could have the effect of making the Client or Public Official feel indebted and/or risk influencing their decision-making process in a biased manner, are prohibited.
- Gifts and invitations received by the Employee from a partner, supplier or service provider, the acceptance of which could result in the Employee feeling indebted and/or risk influencing the decision-making process in a biased manner, are prohibited.
- The offer or acceptance of a gift or invitation is acceptable, provided that:
 - It has a professional purpose,
 - It is of reasonable value,
 - It is in accordance with local customs,
 - It is not offered, directly or indirectly, in exchange for a specific benefit or action,
 - It is not solicited by the beneficiary,
 - It concerns only the Employee or the business partner, excluding family or other relationships,
 - It takes place without any significant decision-making (e.g. competitive tendering procedures),
 - Indeed, the circumstances of the gift or invitation must not be such as to give rise to suspicions of corruption, even after the fact. It is therefore necessary to be attentive to the context and meaning that a benefit or gift can take, which should not imply any expectation in return.
 - It does not embarrass either the Employee or HORIBA ABX SAS if it has to be made public.

- It is prohibited to offer or promise, directly or indirectly, benefits in cash or in kind, in any form whatsoever, to healthcare professionals (persons mentioned in article L1453-4 of the French Public Health Code). It is also prohibited to accept gifts or gestures in all countries where the Company operates.
- Cash gifts are prohibited.

The Employee may only accept or propose an invitation to an event if the inviting business partner is present or represented at the event.

In any case, if local legislation is stricter than the aforementioned rules, the stricter rule should be followed.

You can contact the Company's Ethics Committee if you have any questions. In all situations, HORIBA ABX SAS advocates total transparency with the hierarchy in order to ensure strict compliance with the regulations.

Q. You have become friendly with the Sales Director of a distributor with whom the Company has a commercial relationship. You retire, they offer you a gift worth an estimated €10,000 as a farewell souvenir, during a family dinner at their home. Is this situation tantamount to an act of corruption?

R. Yes, this situation can be considered as an act of corruption because of the value of the gift, which could be interpreted as consideration, even if the gift is only given after an undue advantage has been or is about to be obtained.

The law covers undue benefits given "...before, during or after..." You should politely refuse the gift by explaining why and referring to your company's Code of Conduct.

B. Facilitation payments

Facilitation payments are sums of money, often modest, requested by public officials in order to obtain or accelerate the performance of certain administrative acts (processing of state documents, issuing authorizations or permits, etc.).

These payments are prohibited in most countries.

Rule to be respected:

- HORIBA ABX SAS prohibits facilitation payments even if local laws allow them.

It is recognized, however, that the Employee may exceptionally be required to make such payments, in some parts of the world, to avoid imminent physical harm to themselves or a member of their family or avoid abusive and unjustified physical detention. In this case, the Employee must inform their supervisor as soon as possible.

Q: In order to facilitate obtaining customs clearance, one of your partners offers to hand over a sum of money to an official of a foreign public institution. Is this situation tantamount to a facilitation payment?

A: Yes, this situation can be considered a facilitation payment, even in the case of a small amount. You must refuse to give this amount to the Public Official or to any other person they may designate to you. You must immediately inform your supervisor.

C. Conflict of interest

Conflict of interest refers to any situation where the personal interests of an Employee could conflict with those of HORIBA ABX SAS.

Personal interest refers to interests that may influence or appear to influence the way in which the Employee carries out the functions and responsibilities entrusted to them by HORIBA ABX SAS.

Such a situation could arise, for example, if an Employee negotiates on behalf of HORIBA ABX SAS a contract from which they derive a personal interest directly or through an intermediary, current or future.

Such a situation could also arise, for example, if an Employee or a relative (spouse, ascendant, descendant, etc.):

- Has a financial interest in a customer, supplier, service provider, partner or competitor of HORIBA ABX SAS;
- Carries out an activity (paid or unpaid) on behalf of this third party, for example, as an employee, consultant, agent, broker, etc.

Insofar as a conflict of interest may conceal an act of corruption, it is essential that Employees be vigilant with regard to the occurrence of conflict of interest situations.

It is also expected that each Company Employee will behave fairly towards HORIBA ABX SAS and all its Employees. In addition, no breach of the various Company regulations or any activity intended to obtain a personal benefit that would harm the interests of the Company will be tolerated.

Rules to be respected:

- Employees must refrain from putting forward any personal, financial or family interest that could prevent them from acting in the best interests of HORIBA ABX SAS and from raising doubts as to their integrity.
- In particular, the Employee must avoid:
 - Having a financial interest in a customer, supplier, service provider, partner or competitor, unless authorized in advance by the Ethics Committee;
 - Agreeing to carry out professional activities outside HORIBA ABX SAS and directly related to the Company's activities, unless previously authorized by the Ethics Committee.
- When an Employee is confronted with a **potential** or **existing** conflict of interest, they must inform the Company's Ethics Committee immediately and refrain from any interference in HORIBA ABX SAS's relations with the third party concerned, until a solution has been found.

Q. You are participating in the organization of a seminar that may be held in a large hotel owned by your nephew and in which you hold a small stake in the capital of the operating company. Do you need to disclose your relationships and financial involvement?

A. Yes. You must report your activities to the Company's Ethics Committee to determine if there is an actual or potential conflict of interest. It is important that we all make objective and prudent decisions, which favor the interests of HORIBA ABX SAS.

IDENTIFYING A CONFLICT OF INTEREST

How do I know if I am likely to be in a conflict of interest situation?

Ask yourself the following questions:

- Is there a risk that the independence of my judgment may be compromised? Will I feel indebted to others?
- What does this situation suggest? Could it seem inappropriate or raise a doubt as to my loyalty to the Company's interests?

If "yes" is the answer to any of these questions, you may find yourself in a situation of real or apparent conflict of interest, in which case you must immediately seek advice by reporting it to the Ethics Committee.

D. Recruitment

The recruitment of a new Employee within HORIBA ABX SAS may potentially give rise to an act of corruption in the event that the Company is granted by a third party an undue advantage in return for the hiring of a particular candidate; in particular in order to obtain a benefit relating to a future contractualization or influence over an administrative decision.

Rule to be respected:

- Any undue advantage (personal or within the scope of duties) granted by a third party in exchange for the recruitment of an Employee is prohibited.

Q. During a recruitment period, the Company receives the CV of the daughter of the manager of the largest distributor with whom the Sales Department is negotiating for a call for tenders. She has all the necessary skills and has undergone three interviews during which no one concerned by the current call for tenders participated. The HR Department considers her to be the best candidate and can therefore be hired. Is this an act that could be qualified as corruption?

A. *Theoretically, not if the person's skills meet the requirements of the position to be filled, and the hiring decision is made impartially and disconnected from the call for tenders. However, this situation is inherently risky and it must be possible to provide evidence of compliance with internal recruitment procedures and the impartiality of the choice made.*

E. Business partners

A risk of corruption exists when HORIBA ABX SAS has a **business relationship with various business partners** in the course of its activities.

Indeed, in certain circumstances, a company may be held legally liable for acts of corruption committed by its business partner.

In the course of their activities, HORIBA ABX SAS Employees are in contact with many commercial partners, such as suppliers, wholesalers, distributors, service providers, intermediaries (commercial agents, business contributors or negotiators, etc.), subcontractors, co-contractors, etc.

They operate in this context in accordance with the internal procedures in place within the Company.

Rules to be respected:

- Before entering into a business relationship with a trading partner, due diligence should be carried out, in particular with regard to its integrity, adapted and proportionate to the particular situation of the trading partner (reputation and any current or previous legal proceedings, skills and resources in the required field, current or previous contractual relations with a Public Official, etc.);
- In particular, with regard to intermediaries, any suspicious evidence must lead to excluding any collaboration with them. This notably includes situations in which the intermediary:
 - Seems incompetent or understaffed;
 - Does not accurately document the full range of services it provides in exchange for the price charged;
 - Is appointed or recommended by a business partner or even a customer;
 - Requests to remain anonymous or lacks transparency;
 - Requests to be paid in cash, in advance, or in a country other than the place of residence or activity;
 - Requires an abnormally high remuneration in relation to the value of the services provided;
 - Claims reimbursement for unusually high or undocumented expenses.

Any business relationship with a business partner must lead to a written and signed contract.

- In particular, contracts concluded with intermediaries must be signed by the representative of the relevant company.
- Contracts with a trading partner should, as far as possible, contain clauses certifying that the co-contractor complies with anti-corruption rules and laws.

- Payments made to a trading partner must always correspond to an appropriate remuneration proportionate to the service provided. Particular care should be taken when paying into a bank account domiciled abroad.
- These payments must be made on presentation of an invoice, duly validated within the framework of the procedures established by HORIBA ABX SAS, preferably by bank transfer to the trading partner's bank account, after verification of the beneficiary's bank details, and for the amount indicated on the invoice, in accordance with the contractual provisions.
- All documents specific to the business partner's activity must be kept throughout the business relationship (contract, proof of services, invoices, payments, etc.) in order to facilitate any subsequent verification.

Q. During negotiations, one of HORIBA ABX SAS's potential partners refuses to comply with the due diligence process relating to its integrity set up by the Company. Is it still possible to contract with them?

A. No, because this situation presents a risk of indirect corruption. The Employee must explain to their interlocutor that this process meets the legal obligations in terms of the fight against corruption and that their reluctance could lead HORIBA ABX SAS not to enter into commercial relations with them.

F. Patronage & Sponsorship

Patronage is material support given to a work or a person for the exercise of activities of general interest.

Patronage donations can take different forms such as:

- Contribution of an amount in cash;
- Free provision of staff, premises;
- Supply of goods, products or services;
- Mobilization of the technology available or used by the Company.

Sponsorship is material support given to an event, person, product or organization to obtain a benefit in terms of advertising: the name, brand and message of the sponsoring company can be widely disseminated.

Patronage and sponsorship are strictly regulated within HORIBA ABX SAS.

Thus, all related facts must meet our brand image requirements and comply with all the commitments set out in this code.

For example, donations to political parties are prohibited.

HORIBA ABX SAS may make donations and carry out sponsorship activities, in particular with charitable organizations or foundations or also carry out sponsorship activities, as long as these actions are related to public health, the medical world or the preservation of the regional and cultural heritage in which the Company is involved.

If donations, sponsorship or sponsorship activities were carried out with the aim of obtaining or offering an **undue advantage**, then such practices fall within the definition of corruption.

Rules to be respected:

- Donations, patronage and sponsorship are authorized subject to compliance with applicable laws and regulations.
- Donations, patronage and sponsorship must not be provided to obtain or offer any undue advantage or unduly influence a decision.

Q. As part of an ongoing call for tenders to which HORIBA ABX SAS responds, an employee is offered by a representative of the potential client to set up a sponsorship strategy with a specialized association chaired by the latter's wife. Is this an act that could be qualified as corruption?

A. *Yes, this proposal may suggest that the interlocutor will influence the decision to award the contract if patronage is granted. It should be explained to them that the corruption prevention procedure set up by HORIBA ABX SAS does not make it possible to finance the event.*

Employees should keep in mind that the link between obtaining the contract and financing the association could easily be established and constitute an act of corruption.

G. Acquisitions, equity investments and joint ventures

When acquiring companies, assets covering a complete line of business, equity investments, mergers or joint ventures, it must be ensured that the target or partner has not engaged in any improper conduct in the present or past with regard to applicable anti-corruption laws and that they comply with the relevant legislation in force.

Indeed, in the aforementioned transactions, HORIBA ABX SAS could be held civilly or criminally liable and could have significant commercial, financial and reputational repercussions.

Rules to be respected:

- Include an anti-corruption component in due diligence processes for acquisitions, equity investments, or setting up joint ventures.
- Include an anti-corruption clause in contracts and agreements entered into as part of acquisitions, equity investments, or setting up joint ventures.

H. Maintenance and Accuracy of Books and Records

Books and records here refer to all accounting, financial and business records. These include accounts, correspondence, summaries, books and other documents relating to the accounting, financial and commercial sphere.

As part of the fight against corruption, it is essential that transactions are transparent, fully documented and assigned to accounts that accurately reflect their nature.

Rules to be respected:

- No entry in the books and records of HORIBA ABX SAS shall be unfounded, erroneous, falsified or artificial.
- The Company's books and records must faithfully and accurately reflect the transactions carried out and must be established in accordance with the accounting standards and frameworks in force.
- All controls and approval procedures in place within the Company must be applied.
- Documentation proving the appropriateness of the relevant services and the corresponding payments should therefore be kept.

III. COMPLIANCE WITH THE ANTI-CORRUPTION CODE OF CONDUCT AND APPLICABLE SANCTIONS

A. Alert procedure

HORIBA ABX SAS has set up a whistleblowing scheme to improve the resources available to all Employees to express themselves so that they can report the existence of conduct or situations contrary to this Code, insofar as they are likely to characterize acts of corruption or influence peddling.

While it is still possible to use the hierarchical channel, the whistleblowing scheme offers Employees enhanced guarantees of protection if an alert is raised.

However, its use is optional.

In practice, any Employee can send their report, using the dedicated form available on the HORIBA ABX SAS intranet site via a single e-mail address:

alerteethique.med@horiba.com

The rules relating to the operation of the whistleblowing scheme and the guarantees offered to Employees in the context of its use are detailed in a specific document, the "Procedure for the HORIBA ABX SAS whistleblowing scheme" *GEDOC : QUAL-QA-SOP-0401*.

B. Consequences of Breaching the Anti-Corruption Code

Failure to comply with the rules set out in this Code may have serious consequences, not only for society, but also for Employees.

For HORIBA ABX SAS, any behavior contrary to the rules defined in this Code could not only damage its reputation and affect its activities, but also expose it to the obligation to compensate for any damage caused, and expose it to criminal prosecution.

For Employees, where circumstances warrant, failure to comply with the anti-corruption rules set out in the Code may expose them to disciplinary sanctions that may include termination of the employment contract under the conditions provided for in the rules of procedure, as well as to personal, criminal and/or civil proceedings.