



Compliance


CONFLICT OF INTEREST PREVENTION

Procedure

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REVISION 05	New Logo	31/10/2022			
REVISION 04	Actualization	16/08/2022			
REVISION 03	Formatting of the procedure	01/12/2020			
REVISION 02	Replacement of the terms "Compliance Officer" by the terms "Ethics & Compliance Officer" Add in §6.3 of the obligation of declaration of actual or potential conflicts in a register	30/10/2020			

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REVISION 01	Record conformity (reference, review, writer) Change reference: supersedes JUR DVR 001004 Add reference documents Layout	DATE 11/06/2019	BY	CHECKED	APPROVED
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Preamble

Conflict of interest is primarily concerned with professional ethics and ethics generally. That said, a number of the situations covered, or that may be triggered absent prevention or proper management, may also be criminally punishable (traffic of peddling, illegal acquisition of interest, favoritism, corruption, insider trading, breach of trust, misuse of company assets, etc.). Conflicts of interest also present risks to image and reputation, with negative consequences that may be involved for the Group. For these reasons, it is not enough to call upon the individual ethics of each employee. Indeed, if a situation of conflict of interest generally has its origin in a private interest, it cannot be denied that, should it occur, it would inevitably have an impact on the company as a whole.

The prevention and management of corruption risks imply for an organisation to identify the situations likely to expose it to harmful legal, human, economic and financial consequences. This vigilance should lead it, depending on the risks identified, to define a procedure for managing conflicts of interest, to which its anti-corruption code of conduct can usefully refer.

1. Definitions

- **Conflict of Interest:** Even if the law of case law does not provide any definition of the concept for the private sector, there is a “conflict of interest” when an employee’s private interests are likely to influence his/her professional decisions (e.g.: choice of a supplier, employee recruitment, granting of a promotion), which must be guided solely by the interests of the GTT Group. The slightest appearance of a conflict is enough to characterize a conflict of interest, without it being necessary to verify whether, in fact, the employee’s decision was influenced by his/her personal interest.
- **Private Interests:** “private interests” mean the personal or professional interests of an employee.
- **GTT Group:** “GTT Group” or “Group” means GTT and its subsidiaries.
- **Employees:** “employees” mean all persons working for the GTT Group: corporate officers, employees (permanent and/or temporary), interims and interns.

2. Reference Documents


- [GTT’s Ethics Charter – CONF-DVR-001001](#)
- [Reporting collection procedure – CONF-PRO-001001](#)
- [Gifts and Hospitality procedure – CONF-PRO-001003](#)
- [Purchase procedure – QLT-PRO-000006](#)
- [Statement of receiving and understanding GTT’s anti-bribery procedures – JUR-FOR-001002 \(including Conflict of Interest Prevention Procedure\).](#)

3. Purpose and Scope

3.1. Purpose

Using a preventive approach, this procedure aims at:

- dispelling any doubts that may, under certain circumstances, arise from a GTT Group employee’s decision or action as to his/her impartiality and/or loyalty towards the Group in the performance of his/her duties, and

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- if necessary, in the case of a proven conflict of interest, immediately drawing the appropriate conclusions to avoid any integrity violation or, more generally, any violation to the Group's ethical rules.

Bearing this in mind, this procedure's purpose is to guide Group employees likely to encounter such situations.

In this regard, it is not a substitute for, but rather complements, the specific provisions on conflict of interest matters targeted in the GTT Group Ethics Charter.

3.2. Scope

This procedure applies to all Group employees.

4. Types of Conflicts of Interest

Any situation that may give rise to a reasonable doubt as to the impartiality, independence of judgment or loyalty expected of an employee towards the Group falls within the scope of this procedure.

The most common forms of conflict of interest are:

4.1. Self Contracting

There is self-contracting (or, contracting with oneself) when a contracting party has private interests with his/her co-contracting party in a transaction.

Example:

A member of the Innovation Division enters into a study contract with a specialized company in which he/she is a shareholder.

4.2. Family or Friendship Interest

There is a conflict of interest situation when an employee's family or friendship relationship is likely to interfere with the way in which he or she performs his/her professional functions.


Example:

A member of the Human Resources Department participating in the recruitment process for Group executives seeks to recruit a cousin into the Financial Department.

4.3. Gifts and Invitations¹

An employee who accepts a gift and/or invitation from a company with which he/she has a business relationship, other than for everyday use and of low value, is likely to create a conflict of interest.

¹ In such a situation, the GTT Gifts and Hospitality procedure should be consulted.

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Example:

A purchasing department employee accepts a case of champagne from an office equipment supplier. A Group employee responsible for a technical assistance assignment on a LNG carrier construction site accepts an invitation from the site managers to spend the weekend in a luxury seaside resort hotel near the site.

5. Identifying a Conflict of Interest

Any employee may, during the course of his/her professional career, be confronted within a situation in which his/her private interests or those individuals or legal entities with which he/she is connected or is close may conflict with the GTT Group's interests.

A conflict of interest may present itself in a wide variety of forms at different stages in an employee's professional life and change with the circumstances.

It may consist of:

- a **potential conflict**: strictly speaking, a conflict does not yet exist to the extent that no inconsistency objectively appears, at the time of examination, between the employee's private interests and the way he/she discharges his/her duties. Nevertheless, a change in his/her situation (assumption of duties, promotion, transfer, events occurring in his/her private circle) could create a conflict.


Example:

An employee responsible for the approval of materials suppliers is married to a senior executive who plans on joining a company that designs and markets materials likely to be used in the construction of the tanks of LNG carriers. If this senior executive has not yet joined this company, and if this company has not yet requested GTT approval, these events could occur in the near future and affect the manner in which the employee performs his/her duties.

- an **apparent conflict**: without it being proven that the employee's private interests influence the manner in which he/she performs his/her duties for the Group, the objective circumstances may nevertheless so suggest, at least in theory. At this stage, it is a question of suppositions and suspicions and the interference of the employee's private interests with his/her professional sphere is only possible. An analysis of the situation must therefore be conducted to remove any doubt as to the actuality, or lack, of a conflict.

Example:

An employee responsible for business development is preparing to negotiate the financial conditions of a GTT technology license contract with a prospect. One of the minority shareholders of this prospect is an in-law with whom he/she has no other relationship. To the extent that this minority shareholder does not have any decision-making power in the prospect's strategy and management, and where, furthermore, there is no financial or emotional connection between the two individuals, there is no de facto conflict between the employee's private interests and the performance of his/her duties for GTT. A third party could legitimately consider, however, that the family connection between the GTT employee and the prospect constitutes an objective circumstance that is, in theory, likely to influence the employee's behavior.

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- an **actual conflict**: a situation where the impartiality, independence of judgment or the loyalty of the employee towards the Group cannot be fully ensured in terms of this employee's private interests, which could influence him/her in the performance of his/her professional functions within the Group entity to which he/she reports.

Examples:

A purchasing department employee must choose between three suppliers, one of which is a company managed by his/her spouse. A member of the board of directors must decide on a plan for the acquisition by GTT of a company in which he/she is a shareholder. A sales representative is asked for a discount by a client who just hired his/her best friend at his/her request.

Under these circumstances, it is up to each employee, with the assistance, if he/she deems it appropriate, of his/her manager or the Compliance Manager, when required, to effectively identify and objectively analyze situations of conflict of interest that he/she may confront.

For this purpose, determining the existence of a conflict of interest consists, for everyone, of conscientiously examining, with objectivity and impartiality, the compatibility of the performance of his/her professional functions with his/her private interests.

Examination and common sense are most often the best ways to avoid and prevent the occurrence of such conflicts of interest.

Examples (among others) of questions to ask :

Is this action or situation contrary to the procedures defined by the Group?

Is it likely to lead to negative consequences for the Group?

Do I fail in my duty of loyalty if I do not reveal this situation to my manager or work colleagues? Could my professionalism or ethics be challenged?

If the reasons for my examination were known to the press and/or social media, would it have a negative impact on me or the Group?

If one of the answers to these examples of questions is "yes," it is quite likely that the employee is in a conflict of interest situation, whether apparent or actual.


6. Managing a Conflict of Interest

6.1. Positioning Yourself when faced with a Confirmed Conflict

Two options are open for managing a conflict of interest: either abstention, or exception.

6.1.1. An Abstention

All employees must immediately and automatically abstain from taking part in duties or assignments the performance of which is likely to put him/her in a situation of conflict of interest.

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He/she must provide notice of an abstention to the Compliance Manager and inform his/her direct supervisor. The employee need not justify his/her decision.

At his/her discretion, the employee may:

- request the advice of the Compliance Manager;
- indicate, if desired, the reasons for his/her decision to his/her Compliance Manager;
- not reveal to anyone the reasons supporting his/her decision (to preserve, for example, an element of his/her private life).

The Compliance Manager shall inform the Human Resources Director of any abstention notification from a Group employee.

6.1.2. An Exception

Any employee in a conflict of interest situation may also make a referral to his/her direct supervisor requesting an exception. This exception would allow the interested employee to pursue the activity in question.

Referred a request for an exception, the supervisor may either:

- refuse to grant the exception; or
- grant it, subject to requesting the approval of the Compliance Manager.

Once approval has been obtained from the Compliance Manager, the supervisor must inform the Human Resources Director of the exception.

The exception must be:


- limited as to time, and
- specific: a blanket exemption is not possible, and
- substantiated: it must indicate the reasons why the situation of the employee concerned does not preclude the continuation of his/her assignment (if applicable, subject to the conditions or restrictions defined in the exception), and
- explicitly approved in writing (email) by the Compliance Manager, with an informational copy to the Human Resources Director concerned.

When an exception is granted pursuant to Article 7.1.2. above, a conflict of interest is not established within the meaning of the procedure, within the limits of the exception.

Example :

A business developer in a situation of apparent conflict of interest on the ground that an in-law is a minority shareholder of a prospect with which he/she is preparing to negotiate the conditions of a license contract may obtain an exception from his/her direct supervisor to conduct this negotiation, to the extent that there is no financial or emotional relationship with this distant family member, so that the family relationship is not likely to influence him/her in the performance of his/her assignment for the GTT Group.

In either instance, abstention or exception, if the conflict of interest is structural or concerns a major portion of the professional assignment entrusted to an employee, he/she must contact the Human Resources Director to examine the situation and consider with him/her other possible assignments.

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6.2. Statement of Understanding of the Conflict of Interest Prevention Procedure

All employees are requested to sign a statement that they are aware of, and understand, the conflict of interest prevention procedure at the time of hiring then, in the event of any new appointment or acceptance of a delegation of powers or of a company office, in which he/she shall indicate having received a copy of the procedure and having understood it.

6.3. Implementing the Procedure

The Compliance Manager, in conjunction with Human Resources Department management, shall define the methods for gathering and retaining the statements of understanding of the procedure, abstention decisions and decisions granting and/or refusing exceptions.

To this end, a Register for Preventive Declaration of Conflicts of Interest ([form CONF-FOR-001006](#)) is made available to employees and must be completed whenever an actual or potential conflict of interest arises. This register is for single use only, thus guaranteeing the confidentiality of the declaration. This register is kept and archived by the Compliance Manager.

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Appendix

Questions / Answers

The answers below are simply examples that in no way replace an examination of the context and circumstances of each individual case.

1. Impact of my personal sphere on my professional sphere

- a. **May I work on an offer that will be submitted to a tender committee on which my brother serves?**

This is a question of an apparent conflict of interest situation insofar as my brother may not have (or be considered by third parties as having) the distance, objectivity or impartiality needed to properly review the offer. In this case, I must abstain from handling the file. In any event, I must speak with the Compliance Manager.

- b. **What should I do if I hold 10% of the shares in a startup that the Group would like to acquire?**

It is necessary not to participate in any way in the acquisition transaction to avoid any conflicts of interest or any disclosure of information. I must be removed from the acquisition project. In any event, it is preferable to ask the Compliance Manager.

- c. **I was very impressed with the quality of work of a Group supplier. May I invest in her company?**

The fact of investing in a company having a contractual relationship with the Group is likely to constitute a conflict of interest because I could influence purchasing decisions, investment amounts, etc.

- d. **My son owns a hotel. Can a group event take place there?**

It is possible that the hotel in question is part of a panel of Group service providers, just as others. In this case, I must abstain from taking action in the choice of event location and in its organization so as to not be in a conflict of interest situation.


- e. **May I agree to offer a neighbor's daughter an internship?**

The selection of a person to complete an internship within the Group must fulfill all the required objective conditions. If a potential conflict of interest appears in this case, it is advisable to direct the internship request to another department in which I have no influence.

2. Impacts of the extension of my professional sphere into my personal sphere

- a. **I have been entrusted with a file that will directly concern my municipality. What must I do?**

As for any possible conflict of interest situation, I must first determine whether my personal position could affect my objectivity and independence of judgment in the handling of this file, perhaps whether it would allow me to be able to influence this file in any way whatsoever.

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The situation must, therefore, be precisely and objectively analyzed, particularly with regard to what my actual or supposed influence could concretely be on the file in question: it would therefore be unacceptable for me to be responsible for the file if I have, for example, any elective office whatsoever within the municipality or that I am related to a person having such responsibility.

It is up to me to abstain and, in any event, to be sure to speak about it with the Compliance Manager of my entity.

- b. *As part of negotiations in progress with a commercial partner, I find myself speaking with the husband of my best friend, who is the representative of this partner. What do I do?*

The proximity that I may have with a person representing a counterparty of the Group de facto creates a situation of at least apparent conflict of interest.

To avoid any risk of conflict of interest, the making of a decision by a GTT Group employee involving a counterparty represented by a close friend must generally be avoided.

In this case, it would be appropriate for me to either abstain from initiatives, or, at the very least, speak to the Ethics & Compliance Officer to accurately assess the situation with him/her.