



SNC · LAVALIN

# ANTI-CORRUPTION MANUAL

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# INTRODUCTION

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This manual is intended for internal use.

SNC-Lavalin<sup>1</sup> is firmly committed to winning business through the quality and reputation of its services and not through unethical practices of any kind. This Anti-Corruption Manual is one of several important measures undertaken by the Company to reinforce this ongoing commitment. It is intended to serve and support employees in common business situations where guidance on anti-corruption might be helpful.

This Anti-Corruption Manual - a component of SNC-Lavalin's overall compliance framework - provides a concise overview of the Company's approach to addressing and mitigating corruption risk in daily business activities. As a reference tool, it is intended to clearly outline acceptable and unacceptable conduct in a user-friendly manner. It reaffirms the importance of compliance with applicable laws and SNC-Lavalin's Code of Ethics and Business Conduct, to which every employee, officer, and member of the Board of Directors of SNC-Lavalin must adhere.

<sup>1</sup> In this document, reference to "SNC-Lavalin" or "Company" means, as the context may require, SNC-Lavalin Group Inc. and all of its subsidiaries and affiliates, and any joint venture or consortium of which SNC-Lavalin Group Inc. or any of its subsidiaries or affiliates is a party.

This Manual covers seven (7) areas which commonly present corruption risks in the business world, namely:



**Gifts and hospitality**



**Facilitation payments**



**Sponsorships**



**Corporate charitable donations**



**Business partners**



**Recordkeeping**



**Mergers, acquisitions and joint ventures**

Since situations can and do arise in these areas where the ethical path forward is not always immediately clear, this Manual also includes a list of resources within SNC-Lavalin where employees can seek advice.

This Manual also indicates which business activities require advance written approval from an employee's immediate supervisor before proceeding. Such approvals should be provided in consultation with the responsible Compliance Officer. Up-to-date contact information for SNC-Lavalin's Compliance Officers is available on the Ethics & Compliance Infozone page.

Please read this Manual to better understand the Company's expectations for anti-corruption and refer to it regularly in your business activities. When in doubt, please refer to the contacts and resources available to you, which are described at the end of this Manual.

As an employee of SNC-Lavalin, your integrity and commitment to ethical business is essential to ensuring that the Company achieves its goal of becoming a model of global ethics and compliance excellence.

# NAVIGATING KEY RISK AREAS

Note: **Bolded terms** are defined and explained in the Glossary at the end of this Manual.



## GIFTS AND HOSPITALITY



The anti-corruption laws of many countries, and SNC-Lavalin's Code of Ethics and Business Conduct, prohibit offering or providing **anything of value** (such as gifts, meals, entertainment, travel or lodging and any other favor/advantage) to a third party (such as a **government official**, client, supplier or **business partner**) in order to obtain an improper business advantage or otherwise influence official action.

Furthermore, no gifts or hospitality should be offered or provided that could reasonably be interpreted by the recipient or others as a bribe.

Employees intending to provide a gift or hospitality to a third party must ensure that certain conditions are met before proceeding. All such gifts and hospitality must comply with applicable laws and regulations and be provided in an honest, open and transparent manner. Gifts and hospitality offered to third parties must also be appropriate to the occasion and of **nominal value**. In certain circumstances, advance written approval from an immediate supervisor may be required. It is important that all gifts and hospitality be recorded completely and accurately in SNC-Lavalin's **books and records**.

Acceptance of gifts or hospitality from third parties is generally discouraged. Employees may accept occasional gifts of nominal value and may accept hospitality provided it is infrequent and serves a legitimate business purpose. Employees who receive gifts and hospitality must inform their immediate supervisor within one month of receipt. Should they receive a gift in excess of nominal value, it must be reported promptly to their Compliance Officer.

## ADDITIONAL REQUIREMENTS

### GIFTS

Employees planning to provide a gift of more than **nominal value** to a third party require advance written approval (**monetary gifts** are always prohibited).

### MEALS

Employees planning to offer a meal to a third party must obtain advance written approval if it is not directly related to SNC-Lavalin's business, if its value exceeds that of an ordinary working meal, or if the attendees will include personal guests of the invited third party.

### ENTERTAINMENT

All entertainment invitations extended by employees to third parties require advance written approval. Further, such invitations must serve a legitimate business purpose.

### TRAVEL AND LODGING

Provision of travel and/or lodging to third parties may only be offered subject to written approval. Only travel and/or lodging that is directly related to the promotion, demonstration, or explanation of SNC-Lavalin's services or to the performance of a contract is permitted.



## FACILITATION PAYMENTS



Facilitation payments are small, unofficial payments made to government officials (as opposed to a legitimate government fee or tax), for the purposes of securing or accelerating the performance of a routine action to which the person paying is already entitled. Such routine actions may include customs clearance of goods, issuance of a permit or license, or granting passage through a public area or facility.

Facilitation payments are considered to be a form of corruption and therefore are strictly prohibited.

Employees who are requested to make a facilitation payment should notify their Compliance Officer immediately. Also, anyone who makes a payment that could reasonably be misunderstood as a facilitation payment should consult with their Compliance Officer and ensure that the payment is completely and accurately documented.



## SPONSORSHIPS



**Sponsorships** are an important part of SNC-Lavalin's communication with customers and they provide a way to strengthen the SNC-Lavalin brand with selected target groups. This makes them different from donations since their purpose is to obtain a specific benefit for the Company.

Nevertheless, sponsorships present corruption risks if they are perceived as being linked to seeking or obtaining an improper advantage.

Employees must adhere to SNC-Lavalin's corporate policies and procedures regarding sponsorships, as amended from time to time. Employees should consult with their Compliance Officer if they have reason to believe that there is a risk of a **sponsorship** being perceived as improper or corrupt.



## CORPORATE CHARITABLE DONATIONS



Corporate charitable donations offer a way for SNC-Lavalin to contribute to worthy causes, and reflect the Company's identity as a responsible global corporate citizen. However, charitable donations can present potential corruption risks. Examples include funding charitable organizations that would benefit a third party (such as a government official), or funding non-existent or illegitimate charitable organizations to conceal corrupt payments.

Donations may not be offered, promised or given if they are intended to improperly influence official action or secure an improper advantage.

Employees must adhere to SNC-Lavalin's corporate policies and procedures regarding corporate charitable donations, as amended from time to time. Further, they should notify their Compliance Officer if they have reason to believe that there is a risk of a charitable donation being perceived as improper or corrupt.

## ADDITIONAL REQUIREMENTS

### WHO CAN RECEIVE CORPORATE DONATIONS?

Donations may not be made to individuals, to for-profit organizations or to organizations that do not have tax-exempt status or whose goals are not compatible with the principles in the SNC-Lavalin's Code of Ethics and Business Conduct.

### IMPORTANCE OF TRANSPARENCY

All donations of any kind must be transparent. It must be possible at all times for the person initiating the donation to justify the reasons for a donation and to be accountable.

### MODE AND FORM OF CORPORATE DONATIONS

Donations should be tax-deductible and payments to private accounts or in cash are not permitted.



## BUSINESS PARTNERS



Corruption risks exist when companies use third parties as **business partners** to obtain or retain business or influence official decisions on their behalf.

For this reason, SNC-Lavalin is committed to ensuring that it only conducts business with partners that adhere to the same rigorous standards of ethics and compliance as SNC-Lavalin does, as set forth in the Code of Ethics and Business Conduct.

Steps in the **business partner** review process, such as risk assessment, risk-based compliance due diligence, final approval of a **business partner** and ongoing monitoring activities must be conducted in adherence to SNC-Lavalin policies and procedures governing **business partners**, as amended from time to time.

Any circumstances that appear doubtful, risky or otherwise questionable to the involved employee(s) must be documented and brought to the attention of their Compliance Officer.

### ADDITIONAL REQUIREMENTS

#### DUE DILIGENCE

Before entering or committing to enter into an agreement with a **business partner**, the relevant employee(s) of SNC-Lavalin must ensure the prospective **business partner** is a person or entity of integrity and good standing in the business community; and possesses the necessary background, reputation and qualifications for the service(s) to be provided.

#### COMMUNICATION WITH, AND TRAINING OF, PARTNERS

Employees must communicate with **business partners** on SNC-Lavalin's expectations with respect to ethics, compliance and anti-corruption and, where appropriate, ensure that they receive the necessary training on these subjects.

#### PREVENTION AND DETECTION OF MISCONDUCT

Employees must take reasonable steps to prevent and detect any misconduct and respond appropriately to indications of possible misconduct.



## RECORDKEEPING



The laws of the countries in which SNC-Lavalin operates require the Company to maintain accurate and complete **books and records**. Furthermore, the Company's **books and records** are the basis of its financial reports and other disclosures to its clients, partners and other stakeholders, as well as to the general public. SNC-Lavalin's books and records also serve as tools to help management control and direct the Company.

**In order to prevent corruption, it is important that all transactions be transparent, fully documented and coded to accounts that accurately reflect their true nature.**

Use of Company funds or other assets for any unlawful or improper purpose is strictly prohibited. SNC-Lavalin's managers and officers, as well as those responsible for the accounting and recordkeeping functions, are expected to be vigilant not only in ensuring enforcement of this prohibition, but also in having oversight of the proper use of the Company's assets.

Where any doubt exists about applicable requirements for recordkeeping, employees should consult with their supervisor. If additional advice is required, employees should consult with their Compliance Officer.

## ADDITIONAL REQUIREMENTS

### **ALL DOCUMENTS MUST BE ACCURATE AND TRUTHFUL**

False, incomplete or misleading entries and unrecorded bank accounts, for any purpose, whether regarding sales, purchases or other Company activity, are strictly prohibited.

### **LEVELS OF AUTHORITY**

All transactions must be conducted at the level of authority required by SNC-Lavalin policies and procedures, and in compliance with applicable laws, rules, standards and regulations.

### **RESOLUTION OF ISSUES AND CONCERNS**

All efforts must be made to quickly resolve issues and concerns raised in internal and external audit reports. Any known inaccuracies, misrepresentations or omissions must be disclosed to SNC-Lavalin's customers and suppliers and promptly corrected through credits, refunds or other mutually acceptable means.

### **DISCLOSURE OF ALL FINANCIAL INFORMATION**

No transaction, asset, liability or other financial information is to be concealed from management (including Legal Affairs or Corporate Finance), or from SNC-Lavalin's internal or external auditors. No secret or unrecorded cash funds or other assets should ever be established or maintained for any purpose.

### **ACCESS TO CONFIDENTIAL INFORMATION**

Access to sensitive or confidential information is restricted to ensure that it is not accidentally or intentionally disclosed, modified, misused or destroyed.



## MERGERS & ACQUISITIONS, JOINT VENTURES AND MINORITY STAKES

### ADDITIONAL REQUIREMENTS

#### COMPLIANCE DUE DILIGENCE

The appropriate level of compliance due diligence must be performed prior to committing SNC-Lavalin to any arrangements involving mergers and acquisitions, investments, and/or strategic partnerships and joint ventures, as described in SNC-Lavalin's Business Partners policy.

#### LEVELS OF AUTHORITY

Individuals involved in such arrangements must adhere to the level of authority required by SNC-Lavalin policies and procedures.

SNC-Lavalin is frequently involved in acquiring other companies, making investments, and pursuing strategic partnerships and joint ventures. All such arrangements with external parties must reflect and uphold SNC-Lavalin's standards for integrity and compliance.

Failure to perform adequate due diligence prior to entering into business relationships with third parties can present significant legal, financial and reputational risks to the Company.

Employees involved with acquisitions, joint ventures, strategic partnerships and/or investment transactions must follow established processes for such offers and transactions as well as consult, where appropriate, with their Compliance Officer for additional information and guidance.



# CONTACTS AND RESOURCES

Employees who need information or advice on the practical application of the guidance contained in the Manual, related policies and procedures, and other ethics and compliance-related topics can access the following resources:

- › Ethics & Compliance Infozone page
- › Their supervisor
- › Compliance Consultation Centre (CCC)
- › Business Unit and Regional Compliance Officers
- › Chief Compliance Officer

## **ETHICS & COMPLIANCE INFOZONE PAGE**

Additional ethics and compliance resources and information can be found on the Ethics & Compliance Infozone page, including:

- › Code of Ethics and Business Conduct
- › Links to policies, procedures and guidelines
- › Overview of all Compliance Officers and contact information
- › Training materials and presentations
- › Frequently Asked Questions (FAQs)
- › Access to Compliance Consultation Centre functions
- › Information about the Ethics & Compliance Hotline (EthicsPoint)

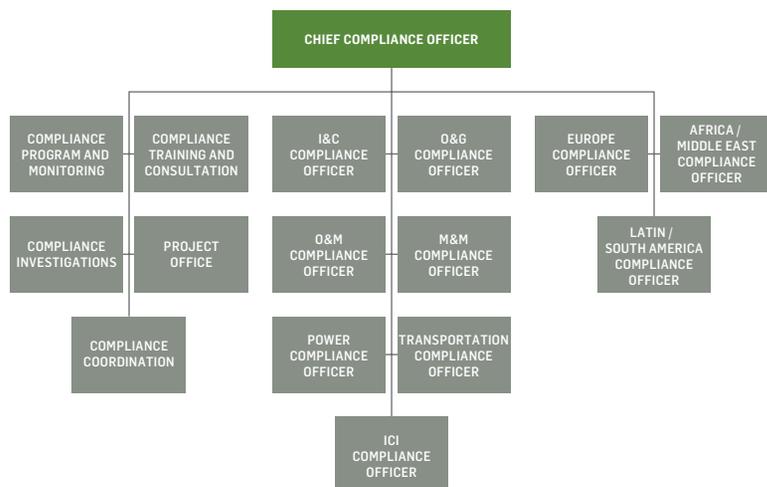
Content on the Ethics & Compliance Infozone page will be updated on a regular basis to provide employees with extra practical guidance where needed.

## **COMPLIANCE CONSULTATION CENTRE**

Employees seeking further information or advice on how to address ethics and anti-corruption matters that arise in the course of business while ensuring compliance with the principles contained in this guide can consult with the Compliance Consultation Centre ([compliance@snclavalin.com](mailto:compliance@snclavalin.com)). This resource is available to all SNC-Lavalin employees.

## COMPLIANCE OFFICERS

The Chief Compliance Officer has assigned a dedicated Compliance Officer to each of SNC-Lavalin's business units and regions. Regional and business unit Compliance Officers are responsible for all compliance matters and initiatives within their respective region or business unit. In particular, they work to ensure that SNC-Lavalin's policies are locally implemented and that the necessary consultation and approval processes are in place. They are also responsible for ensuring that the necessary compliance training is available and completed.



## REPORTING AN ISSUE, VIOLATION OR COMPLAINT

SNC-Lavalin employees are required to report any issue, concern or complaint related to ethics and compliance via the Company's Ethics & Compliance Hotline, which is a secure reporting system operated by an independent third-party service provider. The Ethics & Compliance Hotline allows for anonymous reporting should the reporter wish to protect his or her identity. The Ethics & Compliance Hotline is available online at [www.snclavalin.ethicspoint.com](http://www.snclavalin.ethicspoint.com) and by telephone at the following numbers:

- › **Australia:** 1.800.339276
- › **Belgium:** 0800.77004
- › **Brazil:** 0800.8911667
- › **Canada:** 1.855.350.9393
- › **Chile:** 1230.020.5771
- › **Colombia:** 01800.9.155860
- › **France:** 0800.902500
- › **India:** 000.800.100.1071
- › **Indonesia:** 007.803.011.0160
- › **Panama:** 001.800.507.2386
- › **Peru:** 0800.52116
- › **Romania:** 0808.03.4288
- › **Russia:** 8.10.8002.6053011
- › **Spain:** 900.991498
- › **United States:** 1.855.420.8647
- › **United Kingdom:** 0800.032.8483



# GLOSSARY

**“Anything of value”** means any form of benefit, including gifts, meals, entertainment, travel and lodging, services, employment, contracts or advantages of any kind.

**“Books and records”** means any and all documents relating to the business affairs of SNC-Lavalin. It includes accounting data, correspondence, contracts, minutes of proceedings, memoranda and any other descriptive or informative documents.

**“Business partner”** means a third party working with SNC-Lavalin or retained to act on behalf of SNC-Lavalin for any purpose, including but not limited to:

- › Developing or acquiring new business;
- › Marketing SNC-Lavalin’s products and services;
- › Providing consulting services;
- › Procuring licenses or permits;
- › Procuring local contractors, sub-contractors or service providers;
- › Interfacing with government authorities;
- › Fulfilling local sponsorship requirements; and/or
- › Delivering services to clients.

Examples of business partners may include agents, representatives, consultants, sponsors, advisors, business developers, lobbyists, teaming and pre-teaming partners, consortium partners, joint-venture partners, contractors and sub-contractors, customs brokers, lawyers and suppliers.

**“Charitable donation”** means anything of value donated by SNC-Lavalin to support charitable causes for the purpose of benefiting society or a community, made without expectation or acceptance of a business advantage in return. Donations can be cash or in kind, including goods or services, and will result in a tax receipt in most jurisdictions. Fees for memberships in social and charitable organizations are also considered donations.

Contributions to industry associations, fees for memberships in organizations that serve business interests and sponsorships where SNC-Lavalin gets advertising in return are not charitable donations.

**“Corruption”** is a criminal offense under the laws of many countries in which SNC-Lavalin does business. A serious crime, corruption is often punishable by large fines and imprisonment. Canada’s Corruption of Foreign Public Officials Act (CFPOA) states in part:

“Every person commits an offence who, in order to obtain or retain an advantage in the course of business, directly or indirectly gives, offers or agrees to give or offer a loan, reward, advantage or benefit of any kind to a foreign public official or to any person for the benefit of a foreign public official

(a) as consideration for an act or omission by the official in connection with the performance of the official’s duties or functions; or

(b) to induce the official to use his or her position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions.”

Violations of the CFPOA are punishable by a sentence of up to 14 years’ imprisonment and unlimited fines.

**“Government official”** means an officer or employee of, or any person representing or acting on behalf of:

- › Any level of government (whether federal, provincial, state, municipal or other);
- › Entities or enterprises wholly or partially owned or controlled by a government (such as a state-owned oil company, airline or hospital);
- › Public international or intergovernmental organizations;
- › Political parties, party officials and candidates for political office; or
- › A person who holds a legislative or judicial position.

**“Monetary gift”** means a gift of cash or cash equivalents.

**“Nominal value”** means of sufficiently small value that a gift of such value could not be seen as a bribe or an attempt to improperly influence action or gain an improper advantage. Examples might include flowers or a book.

**“Sponsorship”** means a business agreement where SNC-Lavalin makes a contribution to an organization in exchange for negotiated entitlements. The entitlements often take the form of publicity, brand visibility, profile for our employees or other conditions, which are generally outlined in a contract.



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