

COMMUNITY INVESTMENT, SPONSORSHIP AND CORPORATE MEMBERSHIP

GOVERNANCE INSTRUCTION

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1. PRESENTATION OF THE DOCUMENT

1.1 PURPOSE

The purpose of this Instruction is to define the rules that any entity of the Thales group (“**Entity**”) must observe when carrying out actions in the fields of Community Investment, Sponsorship, or Corporate Membership.

This Instruction is intended to meet the following objectives:

- the **consistency of these actions with the priority axes of the Group**, in particular those concerning the **brand** and those concerning **societal responsibility**;
- the **compliance of these actions with the laws and regulations** relating to the fight against corruption and influence peddling, and also with the Integrity and Conformity program of the Group;
- the **optimization of the Entity's expenses** for these actions and the **maximization of their positive impact** (in terms of communication / image for the Group and in terms of societal responsibility).

This Instruction applies to all Entities, regardless of the country in which they operate. It will be declined as is within the Countries, but the Countries may reserve the possibility to apply to their Entities more stringent requirements in accordance with local regulations.

This Instruction does not in any way modify the provisions of the “Third Party Integrity Assessment” instruction, which relate to a different subject and which must be applied in any event vis-à-vis third parties with whom Thales is considering to initiate or continue a contractual relationship.

This Instruction is supplemented by the Guidelines (hereafter defined).

1.2 APPLICABLE DOCUMENTS

The applicable documents are:

- Document [1]: Thales Group General Organization (87206430-GOV-GRP);
- Document [2]: Thales Group Operating Principles (87206431-GOV-GRP);
- Document [3]: Thales Group Governance Rules (87206444-GOV-GRP);
- Document [4]: Code of Conduct for the Prevention of Corruption and Influence Peddling (87213512-GOV-GRP);
- Document [5]: Instruction on Gifts and Hospitality (87213788-GOV-GRP);
- Document [6]: Third Party Integrity Assessment (87214613-GOV-GRP);
- Document [7]: Group Governance in respect of Integrity and Compliance (87214128-GOV-GRP);
- Document [8]: Personal Data Protection Policy (87212828-GOV-GRP).

1.3 GLOSSARY

Corporate Membership: participation of an Entity as a member of a professional or sectoral organization (Beneficiary Organization), whether directly or indirectly (i.e. through the registration of one or more employees representing the Entity, or through an individual membership financed by the Entity).

Individual Memberships showing no interest for the Group or having no connection with an Entity's activity are not funded by the Group and are not covered by this Instruction.

Public Agent: any natural person who cumulatively fulfills the following two criteria:

- on the one hand, this person:
 - holds a legislative mandate or occupies an administrative, military or judicial position in the country of the Customer / End-Customer, whether by appointment or by election, on a permanent or temporary basis, with or without remuneration; or
 - exercises a public function, as an official or agent, at any hierarchical level whatsoever, including within a public company or a national or international public body; or
 - provides a public service or acts as a public official, depending on the meaning that the law in force in the country of the Customer / End-Customer gives to these terms;
- and on the other hand, this person is or appears to be, by virtue of his/her function or mission (current or past), in a position to influence the final decision to award a contract by the Client or the End-Customer, or able to influence the position to be taken by the Customer or the End Customer in the frame of the performance of a contract.

Requestor: any natural person employed by an Entity who, in the context of his/her functions or missions, deems appropriate and has the authority to propose the realization of a CSM Project.

CISCM Area: scope of this Instruction, which covers all commitments made or considered by the Entities in the field of Community Investment, Sponsorship or Corporate Membership.

Entity: means (i) Thales SA; and/or (ii) any legal entity in which Thales SA holds, directly or indirectly, 50% or more of the nominal value of the issued share capital, or 50% or more of the voting rights at the general meeting of shareholders, or in which Thales SA has the power to appoint the majority of the directors, or to direct by other means the activities of this legal entity, in France and in the world.

Guidelines: document entitled "Guidelines Community Investment, Sponsorship, Corporate Membership", which is drawn up and updated from time to time by the Group Communication Department, and which sets the priorities of the Group in respect of Community Investment, Sponsorship and Corporate Membership. This document is available in the Group baseline (CHORUS), and is provided also by the Group Communication Department, the Ethics & Integrity Department and the Societal & Environmental Responsibility Department.

Community Investment: material or financial support that an Entity provides to a Beneficiary Organization for the exercise of **activities having a general interest feature**, and which is not accompanied by any expected contractual compensation on the part of the Beneficiary Organization in favor of the Group, the Entity or any of its employees (or, if a compensation exists, it is of negligible value: for example, a simple mention of the donor in a publication).

Community Investment actions may consist in:

- ✓ financial Community Investment finding expression in the payment of a sum of money;
- ✓ donation or free loan of equipment (for example, donation of furniture or used computers);

- ✓ skills Community Investment (pro bono) finding expression in the provision of skills and expertise (i.e. employees providing such skills during their working time) at the service of an NGO, an educational institution, a foundation or an association.

Community Investment actions undertaken by a Group employee on a private basis are not funded by the Group and are thus not covered by this Instruction.

Beneficiary Organization: refers to a legal person which benefits from a Community Investment or Sponsorship action from an Entity (such as an NGO, an educational institution, a foundation, an endowment fund or an association, etc.); or, in the case of a Corporate Membership decision, a third party body of which an Entity becomes a member directly or indirectly (such as a professional or sectoral association -including, in France, membership of a competitiveness cluster -, a club, a standardization body).

Sponsorship: material or financial support that an Entity provides to a Beneficiary Organization, in relation to a **gathering or event not having a general interest feature**, and this in order that the Beneficiary Organization favors or accepts a **promotion of the brand image** of the Group and/or the Entity on this occasion. The Sponsorship does not entail any consideration other than the promotion of the brand image of the Entity and/or the Group.

Sponsorship actions may consist in:

- ✓ a financial contribution (payment of a sum of money); and/or
- ✓ a contribution in kind (supply of materials, purchase of tickets or books, sharing of technical knowledge, etc.);

intended to support a gathering, a conference, a symposium, or any other type of event organized by the Beneficiary Organization.

Sponsorship actions undertaken by a Group employee on a private basis are not funded by the Group and are thus not covered by this Instruction.

The expenses which are incurred for a purpose being mainly the participation of one or more Entities in a trade show do not fall under a Sponsorship action, but are the consideration for services (e.g. the rental or the construction of a booth) resulting from a Purchasing process.

Country: management body of an internal structure of the Thales group for a country or a set of countries, and as defined in the organization memo entitled "Thales Group - Operating Principles" (87206431-GOV-GRP).

Politically-Exposed Person (or PEP): any natural person who is either an "Initial PEP" or, by extension, a "Relative" to an Initial PEP:

an **Initial PEP** is a person who **cumulatively** fulfils the following two criteria:

- on the one hand, (s)he is a "Public Official" or a senior official of a publicly-owned company or of a political party, in the Customer's / End-Customer's country, who is currently exercising his/her functions or who has held such a position in the last three (3) years;
- **and on the other hand**, this person, by virtue of his/her function or mission (past or current), is able to influence the Customer's / End-Customer's final decision regarding the award of a contract, or is able to influence the position to be taken by the Customer or the End-Customer within the frame of the performance of a contract.

A **Relative** of an Initial PEP is any one of the following people:

- parents, brothers and sisters, children of the Initial PEP, as well as the spouse(s), recognized partner(s) or companion(s) of these children;
- * spouse, recognized partner or companion of the Initial PEP, as well as the ascendants and descendants of this spouse, recognized partner or companion of the Initial PEP;
- * persons closely associated with the Initial PEP, that is to say any person who is widely and publicly known to have close links, in particular business links, with the Initial PEP, including the beneficial owner of a legal entity, of a legal person or of a legal device held jointly with the Initial PEP or known to have been established for the benefit of the Initial PEP.

CISCM Project: Community Investment, Sponsorship or Corporate Membership action envisaged by an Entity and then, if applicable, carried out by this Entity.

Platform: digital platform set up by the Thales Group and intended to implement the approval process of any CSM Project pursuant to this Instruction. It is accessible from the home page of the intranet site of the Group –item “my applications”.

2. REQUIREMENTS RELATING TO THE FEATURES OF A CISCM PROJECT

The requirements below, which are **cumulative**, aim at ensuring that an Entity does not provide any material or financial support for activities that are not consistent with the values and priorities defined by the Group.

2.1 COMMON REQUIREMENTS TO ALL CISCM PROJECTS

2.1.1 Any CISCM Project must be compatible with one of the **priority axes** set by the Guidelines.

2.1.2 A CISCM Project must meet a **legitimate professional objective**. In the case of a Community Investment action, this objective must also have a charitable dimension.

In any event, a CISCM Project does not entail any advantage of any kind in favor of any of the Group employees.

2.1.3 Irrespective of the thresholds appearing in Annex 1, the contributions provided for in the framework of CISCM Projects must be of **reasonable value** having regard to local standards, and they must have no impact on the reputation of the Thales Group if they would become publicly known.

In any event, CISCM Projects must not commit the Entity concerned to any significant obligation other than the obligation to pay one or more contributions expressly agreed in advance.

2.1.4 CISCM Projects must comply with the requirements of the applicable laws pertaining to the fight against corruption and influence peddling, and all other applicable laws and regulations.

2.1.5 As a result of Sections 2.1.1 to 2.1.4 above, the following actions and projects relating to the CISC Area are prohibited:

- * CISC Projects which would be intended to allow an Entity to grant or obtain an undue advantage or to influence a decision, or would give the appearance of the existence of such an objective;
- * CISC Projects giving rise to a conflict of interests, or the perceiving of a conflict of interests, with the personal interests of a Thales group employee. This would notably be the case if the CISC Project would interfere (or give the appearance of interfering) with the ability of the employee to fulfil his/her mission in full impartiality and in accordance with the Thales group's interest;
- * CISC Projects bearing unusual conditions, such as: payments requested in cash, payments requested from a third party other than the Beneficiary Organization, payments requested on a bank account domiciled in a country other than that where the beneficiary is domiciled; payments requested on an anonymous account;
- * Community investment, sponsorship or membership actions aimed at supporting candidates for elected offices, elected officials or their relatives, political parties, trade unions or religious organizations.

2.1.6 Case of relations with Public Agents or Politically-Exposed Persons

The regulations relating to the fight against corruption and influence peddling pay particular attention to relationships with Public Agents and Politically-Exposed Persons.

It is imperative that no Entity conducts Community Investment or Sponsorship actions benefiting Public Agents or Politically-Exposed Persons, or benefiting Beneficiary Organizations controlled by Public Agents or Politically-Exposed Persons, **with the intention of keeping or obtaining a contract, or of influencing or attempting to influence an official decision**. Indeed, the fact of leading a CISC Project having any link with a tender phase can be interpreted as an attempt to influence a decision of Public Agents and is strictly prohibited.

2.2 SPECIFIC REQUIREMENTS TO CERTAIN CISC PROJECTS

2.2.1 COMMUNITY INVESTMENT

- a) Any Community Investment must lie within the scope of one of the axes of Thales Solidarity program.
- b) Any Community Investment action must give rise, when the nature of this action so allows, to the drawing-up of an agreement signed between the Entity concerned and the Beneficiary Organization (or the issuance of a purchase order, accompanied with the relevant general terms and conditions, which is expressly accepted by the Beneficiary Organization).

The Community Investment agreement existing between the Entity and the Beneficiary Organization must include in substance the provisions set out in Annex 3. It is recommended that this agreement be

concluded for a duration not exceeding one (1) year and be not automatically renewable. If such is not the case, the Entity must regularly take care that, beyond the one-year duration, all the conditions on the basis of which the approval of the Community Investment agreement was given are still met.

2.2.2 SPONSORSHIP

Any Sponsorship action must give rise, when the nature of this action so allows, to the drawing-up of an agreement signed between the Entity concerned and the Beneficiary Organization (or the issuance of a purchase order, accompanied with the relevant general terms and conditions, which is expressly accepted by the Beneficiary Organization).

The Sponsorship agreement existing between the Entity and the Beneficiary Organization must include in substance the provisions set out in Annex 3. It is recommended that this agreement be concluded for a duration not exceeding one (1) year and be not automatically renewable. If such is not the case, the Entity must regularly take care that, beyond the one-year duration, all the conditions on the basis of which the approval of the Sponsorship agreement was given are still met.

2.2.3 CORPORATE MEMBERSHIP

In the case of a Corporate Membership, the Entity (or the employee) must always remain free to terminate their participation immediately or at short notice.

3. LAUNCHING A CISC M PROJECT

3.1 The launch of a CISC M Project, whether a new CISC M Project or a CISC M Project to be renewed, gives rise to two successive reviews: (i) an **eligibility review**, intended to assess the advisability of the CISC M Project with regard to the Guidelines, and also to identify possible other similar CISC M Projects (the management of which should then be coordinated between the Entities concerned); and (ii) a **compliance review**, intended to validate - or not - the compliance of the CISC M Project with the laws and regulations in force and with the Group's internal rules, in particular the instruction "Third Party Integrity Assessment" (87214613-GOV-GRP).

The proper performance of the "compliance" folder of this Instruction is supervised by the Group Integrity & Compliance Committee.

3.2 An approval request must :

- be completed with care and clarity;
- be signed by the Requestor (as the case may be, it should also mention who is the head of the imputation cost center if this is not the Requestor);
- be sent - with a notice of at least one (1) month with respect to the planned date of signature of the contract relating to the CISC M Project in question.

3.3 The launch or renewal of a CISC M Project must be effected in accordance with the provisions of this Instruction and those of the instruction "Third Party Integrity Assessment" (87214613-GOV-GRP) (in particular Section 3.7 thereof).

3.4 The Requestor of a CISC Project must always inquire whether other CISC Projects, similar or not, exist within the Group or are in the course of being launched with the same Beneficiary Organization. When this is the case, the Requestor must promptly inform thereof one of the individuals who will be called to approve the CISC Project at Corporate level (as is determined in Section 4.2), in order for the implementation of the CISC Project to be coordinated and controlled in an appropriate manner.

Accordingly, in the event that an Entity which is considering the conclusion of a CISC Project becomes aware of the fact that one or more other Entities are also concomitantly considering the conclusion of a CISC Project, similar or not, with the same Beneficiary Organization, it must agree with these other Entities to determine and assert a global position of the Thales group vis-à-vis the Beneficiary Organization in question. Each Requestor having knowledge of such concurrent CISC Projects must ensure that this information is highlighted during the eligibility review and during the compliance review, and that the decision made at the end of these reviews actually takes account of the particular situation thus reported.

3.5 In other respects, it is recalled that if a CISC Project gives an Entity the possibility of being represented within the managing body of the Beneficiary Organization concerned, the appointment of the employee in charge of this representation must be carried out in accordance with the rules of the instruction 'Thales Business Governance Rules' (87206844-GOV-GRP) "relating to the appointment of employees as directors.

It is also recalled that if a CISC Project gives an Entity the possibility of inviting third parties, such invitations must be the subject of a request for prior approval in accordance with the instruction "Gifts and Hospitality" (87213788-GOV-GRP) when their value, per beneficiary, exceeds the applicable threshold set in said instruction.

4. APPROVAL OF A CISC PROJECT

Performance of a CISC Project can start only once this CISC Project has been approved in accordance with the conditions set out in this Instruction. Thus, no Entity (nor any employee of the Group acting on behalf of an Entity) is allowed to make any commitment in the CISC Area until the applicable approval process has been followed and completed.

The approval rules set out in this Instruction are not applicable only with respect to any new Community Investment, Sponsorship or Corporate Membership agreement, but also with respect to any renewal or extension of an existing agreement.

4.1 BASIC RULES

The approval process of a CISC Project must be conducted only by the Entity called upon to sign the corresponding agreement, even when other Entities will be involved in the same CISC Project and will be called upon to make their contribution (via internal re-invoicing within the Thales group).

4.1.1 IMPLEMENTATION OF THE APPROVAL PROCESS

The approval of any CISC Project is effected, formalized and tracked exclusively through the Platform. The use of the Platform, which ensures observance of the processes set by this Instruction (and described in Section 5), is therefore mandatory to any Requestor for a CISC Project, as well as any individual called upon to give his/her approval relating to a CISC Project.

Thanks to the Platform, the Requestor and all individuals involved in the approval workflow of a CISC Project are informed of the decision made at every approval step.

4.1.2 VALIDITY PERIOD OF AN APPROVAL

The approval of a CISC Project is worth for the whole duration of the corresponding agreement, within the limit of three (3) years. If the CISC Project is longer than three (3) year, the approval process of the CISC Project in question must be conducted again at the end of the initial three-year period. Moreover, if the context and/or the organization of the Beneficiary Organization have a significant evolution during the term of the CISC Project, the approval process must, in any event, be carried out again for this CISC Project.

4.1.3 APPROVAL THRESHOLDS

When one or several Entities are involved, during a given year, in one or several CISC Projects benefiting the same Beneficiary Organization, one must consider the total of the commitments vis-à-vis this Beneficiary Organization to determine whether each of the CISC Projects is beneath or above the relevant threshold as defined in Annex 1.

For a CISC Project contemplated to last several years, the Requestor must declare the cumulative amount of annual commitments of the Entity concerned, and it is this amount which is taken into account to determine whether this CISC Project is beneath or above the relevant threshold as defined in Annex 1.

None of the thresholds set out in this Instruction can be *a priori* regarded as an authorization of expense.

4.1.4 OBLIGATIONS OF THE REQUESTOR

Once a CISC Project has been validated, it is the Requestor's responsibility to ensure that:

- the delegations of signature in force are respected;
- the approval form (substantially in accordance with the one in Annex 2), duly completed and signed, is sent to the Entity's accounting services, and this before the execution of any payment in favor of the Beneficiary Organization;
- all the information required for consolidation purposes within the Group, in particular for the needs of extra-financial reporting, as well as all the relevant data relating to the actions carried out by the Entity in the CISC Area, are transmitted to the Group Communication Department, and to the Societal and Environmental Department as far as CISC Projects falling within the scope of the Thales Solidarity program are concerned.

4.2 APPROVAL WORKFLOW

4.2.1 COMMUNITY INVESTMENT

The Requestor draws up the approval request by using the template given in Annex 2. If he/she is not the head of the cost center concerned, he/she first submits the approval request for signature by the head of cost center.



The Requestor sends the approval request to the following addressees:

- either the Communications Director of his/her Entity (general case),
- or the Technical Director of the Entity (particular case), if the approval request aims at funding an organization (e.g.: chair) whose purpose is academic, scientific or technical research.

In the approval workflow described below, it is the responsibility of every addressee having approved a request to submit such request for approval by the next addressee.



The addressee as identified above (i.e. the Communication Director or the Technical Director of the Entity):

- organizes an eligibility review to assess the interest of the envisaged Community Investment action;
- requests, if necessary, the opinion of one or more other stakeholders of the Community Investment action (for example: the Human Resources Department, in the case of a Community Investment for the benefit of student or pupil associations).

If he/she deems that the interest of the Community Investment action is confirmed, the above-defined addressee (Communication Director or the Technical Director of the Entity) validates it and submits it to the Compliance Officer of the Entity.

By exception, if the Community Investment action has been initiated by the HR Function and is in favor of a Beneficiary Organization domiciled in France, the Compliance Officer to whom this CISC Project is submitted is the HR Chief Compliance Officer.



As part of a compliance review that he/she organizes, as the case may be, with the stakeholders he/she deems appropriate, the Compliance Officer of the Entity (or, where applicable, the HR Chief Compliance Officer) ensures that the Community Investment action complies with the laws and regulations in force, and also that the Group rules are complied with.

If the Compliance Officer (or, as the case may be, the HR Chief Compliance Officer) validates the request and **the amount of the Community Investment action is beneath the applicable threshold** set in Annex 1, this Community Investment action is finally accepted.

If the Compliance Officer (or, as the case may be, the HR Chief Compliance Officer) validates the request and **the amount of the Community Investment action is above the applicable threshold** set in Annex 1, the Community Investment action must be submitted to approval by:

- the Group Communication Director (general case), or by the SVP Group Chief Technical Officer if the approval request aims at funding an organization (e.g.: chair) whose purpose is academic, scientific or technical research (particular case); **and then**
- the Group Legal & Contracts Director, except in the case of a Community Investment action initiated by the HR Function, which is subject to approval by the HR Chief Compliance Officer.

4.2.2 SPONSORSHIP

The Requestor draws up the approval request by using the template given in Annex 2. If he/she is not the head of the cost center concerned, he/she first submits the approval request for signature by the head of cost center.

The Requestor sends the approval request to the following addressee:

- either the Communications Director of his/her Entity (general case),
- or the Technical Director of the Entity (particular case), if the approval request aims at funding an organization (e.g.: chair) whose purpose is academic, scientific or technical research.

In the approval workflow described below, it is the responsibility of every addressee having approved a request to submit such request for approval by the next addressee.

The addressee as identified above (i.e. the Communication Director or the Technical Director of the Entity):

- organizes an eligibility review to assess the interest of the envisaged Sponsorship action;
- requests, if necessary, the opinion of one or more other stakeholders of the Sponsorship action.

If he/she deems that the interest of the Sponsorship action is confirmed, the above-defined addressee (Communication Director or the Technical Director of the Entity) validates it and submits it to the Compliance Officer of the Entity.

By exception, if the Sponsorship action has been initiated by the HR Function and is in favor of a Beneficiary Organization domiciled in France, the Compliance Officer to whom this CISC Project is submitted is the HR Chief Compliance Officer.



As part of a compliance review that he/she organizes, as the case may be, with the stakeholders he/she deems appropriate, the Compliance Officer of the Entity (or, where applicable, the HR Chief Compliance Officer) ensures that the Sponsorship action complies with the laws and regulations in force, and also that the Group rules are complied with.



If the Compliance Officer (or, as the case may be, the HR Chief Compliance Officer) validates the request and **the amount of the Sponsorship action is beneath the applicable threshold** set in Annex 1, this Sponsorship action is finally accepted.



If the Compliance Officer (or, as the case may be, the HR Chief Compliance Officer) validates the request and **the amount of the Sponsorship action is above the applicable threshold** set in Annex 1, the Community Investment action must be submitted to approval by:

- the Group Communication Director (general case), or by the SVP Group Chief Technical Officer if the approval request aims at funding an organization (e.g.: chair) whose purpose is academic, scientific or technical research (particular case); **and then**
- the Group Legal & Contracts Director, except in the case of a Community Investment action initiated by the HR Function, which is subject to approval by the HR Chief Compliance Officer.

4.2.3 CORPORATE MEMBERSHIP

The Requestor draws up the approval request by using the template given in Annex 2. If he/she is not the head of the cost center concerned, he/she first submits the approval request for signature by the head of cost center.

In the approval workflow described below, it is the responsibility of every addressee having approved a request to submit such request for approval by the next addressee.

The Requestor sends the approval request to his/her hierarchy (n+1) in the Entity.

The hierarchy (n+1) of the Requestor:

- organizes an eligibility review to assess the interest of the envisaged Corporate Membership action;
- requests, if necessary, the opinion of one or more other stakeholders of the Corporate Membership action.

If he/she deems that the interest of the Corporate Membership action is confirmed, the hierarchy (n+1) validates it and submits it to the Compliance Officer of the Entity. By exception, if the Corporate Membership action has been initiated by the HR Function and is in favor of a Beneficiary Organization domiciled in France, the Compliance Officer to whom this CISC Project is submitted is the HR Chief Compliance Officer.

As part of a compliance review that he/she organizes, as the case may be, with the stakeholders he/she deems appropriate, the Compliance Officer of the Entity (or, where applicable, the HR Chief Compliance Officer) ensures that the Corporate Membership action complies with the laws and regulations in force, and also that the Group rules are complied with.

If the Compliance Officer (or, as the case may be, the HR Chief Compliance Officer) validates the request and **the amount of the Corporate Membership action is beneath the applicable threshold** set in Annex 1, this Membership action is finally accepted.

If the Compliance Officer (or, as the case may be, the HR Chief Compliance Officer) validates the request and **the amount of the Corporate Membership action is above the applicable threshold** set in Annex 1, the Community Investment action is submitted to approval by the Operations Director of the GBU, of the Country or of the DGDI area concerned, **and then** approval by the Group Legal & Contracts Director.

By exception, this procedure is not applicable in the following **two particular cases**:

- Corporate Membership of an organization (e.g.: chair) whose purpose is academic, scientific or technical research is submitted to (i) approval by the Technical Director of the GBU, of the Country or of the DGDI area concerned, **and then** (ii) approval by the Group Legal & Contracts Director;

Corporate Membership of a reference employers' union (for example, in France, the Union des Industries et Métiers de la Métallurgie: UIMM) is submitted to (i) approval by the HR Director of the Country concerned, **and then** (ii) approval by the HR Chief Compliance Officer.

5. ORGANIZATION

5.1 STAKEHOLDERS

As detailed in Section 4.2, the stakeholders of a CISC Project are:

- the Requestor;
- for the “eligibility” aspect: the Communication Department, in a majority of cases; in other cases, either the Technical Department or the hierarchy (n+1) of the Requestor;
- for the “compliance” aspect: the Legal & Contracts Department (which the Compliance Officers of the Entities belong to, except for the HR Chief Compliance Officer who belongs to the HR Department);
- other individuals or departments who may be solicited by the above-identified stakeholders.

5.2 ROLES AND RESPONSIBILITIES

5.2.1 Responsibility for conducting a CISC Project in compliance with this Instruction lies with the Entity concerned.

5.2.2 The Requestor is the guarantor of the correct application of this Instruction throughout a CISC Project for which he/she has requested approval, including at every step of the approval process. As such, he/she must in particular:

- submit his/her request for approval under the conditions set out in Section 4; and
- report to the relevant Compliance Officer (or Chief Compliance Officer) any deviation he/she might notice from the processes or rules defined in this Instruction.

As far as possible, the Requestor will also check, for any Community Investment or Sponsorship action, that the Beneficiary Organization makes use of the moneys in accordance with the contractual objective, and he/she will get regularly informed of the progress status of the action.

5.2.3 Within an Entity, the Communication Department performs the following missions:

- Maintain the list of all CISC Projects involving the Entity that are in the course of preparation;
- Whether or not approve a CISC Project, and for this purpose obtain from the Requestor all the necessary pieces of information and/or justification;
- Check that the relevant Compliance Officer (or Chief Compliance Officer) is informed, in good time and with a sufficient notice (such notice is of at least twenty-one (21) days in case the Beneficiary Organization falls under O3 category as per the instruction "Third Party Integrity Assessment" (87214613-GOV-GRP), of any CISC Project whose eligibility has been previously validated, so that it can conduct the compliance review;
- Indicate to the competent Compliance Officer (or Chief Compliance Officer) any non-compliance situation in the CISC Area that he/she deems to deserve the latter's attention.

5.2.4 The following cases are submitted to the Group Communication Director (or, where applicable, the SVP Group Chief Technical Officer):

- When it comes to getting him/her to approve a Community Investment or Sponsorship action that is above the applicable threshold as defined in Section 4.2;
- When he/she is aware of a CISC Project in which several Entities are likely to participate;
- When he/she deems it necessary, whatever the reason, for the implementation of a CISC Project.

5.2.5 In other respects, the Group Communication Director is responsible for organizing, as needed, eligibility reviews of the main CISC Projects in progress and of the main CISC Projects envisaged in the near future. On the basis of the information escalated to him/her, he/she determines the stakeholders invited to participate in these respective reviews.

In addition, the Group Communication Director takes care that, in each GBU, a similar review of the main CISC Projects is held annually and that the minutes of this review are communicated to him/her.

5.2.6 Within an Entity, the Compliance Officer is responsible for holding a compliance review for each CISC Project and formally deciding on the compliance of this CISC Project with the laws and regulations in force, as well as with the provisions of this Instruction. He/she previously checks that the person presenting him/herself as a Requestor for a CISC Project has the necessary capacity and authority for so doing, in accordance with the definition of "Requestor" in Section 1.3.

Moreover, the Compliance Officer of an Entity must enquire to the Group Legal & Contracts Director (or, where applicable, to the HR Chief Compliance Officer for the CISC Projects initiated by HR Function) in the following cases:

- When it comes to getting him/her to approve a CISC Project that is above the applicable threshold as defined in Section 4.2;
- When he/she considers it necessary, whatever the reason, for the implementation of a CISC Project;
- When he/she faces a significant difficulty in implementing this Instruction.

In other respects, the Compliance Officer of an Entity must inform the competent Chief Compliance Officer of the significant non-conformities he/she might ascertain from the requirements of this Instruction, in view of a reporting thereof by the Chief Compliance Officer to the Group Integrity & Conformity Department.

5.2.7 Departments or functions other than those mentioned above may be involved in the preparation or conduct of a CISC Project, either by virtue of the provisions contained in Section 4 of this Instruction, or at the request of the Communication Department of the Entity as needed.

6. CONTROLS

The purpose of 1st level, 2nd level and 3rd level controls defined below is to check the correct application of this Instruction.

6.1 1ST LEVEL CONTROLS

Each Compliance Officer of a BL, a Country or a DGD area must systematically verify, when approval requests are submitted to him/her, that the CISC Projects which fall within his/her scope of responsibility and which are in progress have been the subject of a compliance review in accordance with the processes and rules set out in this Instruction.

He/she must also ensure that the files relating to the CISC Projects that fall within his/her scope of responsibility are established, maintained, updated and then archived (by the respective Communication Departments of the Entities concerned) in an appropriate manner.

He/she informs the Group Legal & Contracts Director and the Group Communication Director of the significant deviations he/she might notice from the requirements of this Instruction.

In any case, he/she guarantees the traceability of the 1st level controls thus carried out.

6.2 2ND LEVEL CONTROLS

The Group Legal & Contracts Director and the Group Communication Director, acting individually or jointly, must from time to time carry out sample checks to verify that the CISC Projects in progress have been subjected to the processes and rules provided for in this Instruction.

They will check, for the CISC Projects so controlled, that the corresponding files are established, maintained, updated and then archived (by the respective Communication Departments of the Entities concerned) in an appropriate manner.

They can refer to the Integrity and Compliance Committee if they notice significant deviations from the requirements of this Instruction.

In any case, they guarantee the traceability of the 2nd level controls so carried out.

6.3 3RD LEVEL CONTROLS

Audits of Entities by DARCI allow the Thales group to ensure a monitoring as regards the initiating and execution of CISC Projects.

Audits concerning the implementation of this Instruction may also be carried out by application of Sapin 2 law. These audits are either scheduled on a periodic basis or triggered following the identification of a specific risk in a given Entity.

Once an audit has been carried out, the resulting action plan, which has to be defined with the Entity, must be included in DARCI's final report, and this action plan must then be carried out by the Entity (with the support of the Communication Director and the management team of the Entity). DARCI is responsible for supervising the implementation of the action plan by the Entity concerned, until its full completion.

7. PRESERVATION AND ARCHIVING OF RECORDS

7.1 All files relating to the CISC Projects of an Entity are archived and kept by the Communication Department of that Entity. Each Entity will ensure that, moreover, the information stored in the Platform will duly reflect the contents of these files.

7.2 The archiving period for files relating to CISC Projects is as follows:

- in the case of a CISC Project which has been fully or partially executed: 10 (ten) years after the end of the agreement in question;
- in the case of a CISC Project which has not been approved: 6 (six) years after the issuance of the request for approval.

7.3 The 1st level and 2nd level checks that have taken place are traced both:

- in the files which are archived and kept by the Communication Department of the Entity concerned; and
- in the files kept by the authority responsible the control, for a period of 6 (six) years after the end of the control.

8. MISCELLANEOUS PROVISIONS

8.1 PROTECTION OF PERSONAL DATA

Each Entity must, when applying this Instruction, comply with Thales' Personal Data Protection Policy (87212828-GOV-GRP).

Each Entity must therefore, in its capacity as personal data processor, ensure in particular compliance with the following principles:

- Purpose of processing:** the data collected must not be processed for any purpose other than the approval (or not), the performance and the follow-up of the CISC Projects;
- Data minimization:** only the personal data strictly necessary for the purpose of the processing should be collected;

- c. **Limitation of the retention period** of personal data to the duration of the applicable legal statute of limitation;
- d. **Information of data subjects** as to the processing of their personal data via the information request questionnaire;
- e. **Implementation of technical and organizational security measures** to prevent unauthorized or unlawful access or disclosure of personal data;
- f. **Implementation of a procedure for managing the rights of the persons concerned** in accordance with the elements mentioned in the Thales personal data protection policy;
- g. **Keeping a register of the processing of personal data of the Entity concerned**, consisting in completing the processing sheet relating to the performance of the verifications covered by this Instruction.

8.2 SANCTIONS

Failure by an employee to comply with the laws applicable in the CISCMArea and/or with this Instruction may result in a disciplinary sanction up to and including dismissal for serious or gross misconduct, regardless of any possible civil or criminal proceedings that might be undertaken on the ground of the ascertained breaches.

8.3 CONTACTS

If you have any question about the application practicalities of this Instruction, you are invited, depending on the nature of your question, to seek the advice of your hierarchy, of the Communication Director of your Entity, of the Compliance Officer or Chief Compliance Officer concerned, or the opinion of the Ethics & Integrity Department, or the opinion of the Societal and Environmental Department for matters relating to the Thales Solidarity program, or also the opinion of the Human Resources Department or of the Technical Department in the case of a CISCMArea Project that has been initiated by one of these Directions.

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9. ANNEX 1 – APPLICABLE THRESHOLDS (EXCLUDING TAXES)

	Community Investment	Sponsorship	Corporate Membership
Thresholds (in €, net of taxes)	15 000	15 000	5 000

10. ANNEX 2 – APPROVAL REQUEST

An approval request (substantially in accordance with the one appearing in this Annex 2) must be filled-in by any Requestor of a CISC Project in application of the instruction “Community Investment, Sponsorship, Corporate Membership”.

This approval request, once it has been duly completed and signed, is an integral part of the record that an Entity must constitute and keep with respect to any CISC Project.

APPROVAL REQUEST	
Date of the request	
1- REQUESTOR	
TGI of the Requestor	
Name and first name of the Requestor	
Thales entity providing the support or bearing the cost of a Membership	
Are there other Thales Entities concerned?	<i>In case of a positive answer, please indicate which Entity(ies)</i>
GBU to which the Entity belongs	
Country of the Thales Entity concerned by the request	-
Is Requestor also the Cost Center Manager? If no, please fill in: - TGI of the cost center manager concerned - Name and first name of the cost center manager	
2 - BENEFICIARY ORGANIZATION*	
Name of the Beneficiary Organization *	

Certificate or registration number (if it exists) of the Beneficiary Organization	
Legal form of the Beneficiary Organization	
Please provide the bank account details (mandatory) and any other documents of administrative and financial nature relating to the Beneficiary Organization. Non-exhaustive list: - by-laws, ethical chart or equivalent; - reputation e-check; - list of board members and managers; - registration certificate, ... - activity reports for the previous years; - approved accounts (audited, if available) of the latest years; - budget forecast for the project, or quotation or invoice; - commitment taken by the Beneficiary Organization as regards fight against corruption (if not reproduced in the contract).	
If the Beneficiary Organization falls into category 02 or 03 according to the TPIA instruction, please ensure that the information request form (in Appendix 3 of TPIA instruction) has been duly completed and communicated by the Beneficiary Organization (to be attached to this approval request)	
Beneficiary Organization's website	
Full postal address of the Beneficiary Organization	

3 – PROJET	
Category Thick the type of Project envisaged	☐ Community Interest - o In accordance with the priority axes of the Thales Solidarity program; - o Financial Community Investment finding expression in the payment of a sum of money; - o Donation or free loan of equipment (for example, donation of furniture or used computers); - o Skills Community Investment finding expression in the provision of skills and expertise; - o Other (specify): ☐ Sponsorship - o Financial contribution (payment of a sum of money) - o Contribution in kind (supply of materials, purchase of tickets or books, sharing of technical knowledge, etc.); - o Other (specify): ☐ Membership
Description of the Project	
Is the Project in accordance with the guidelines of the group?	☐ Yes ☐ No If No, please provide the reasons why we should support this Project
Country or area impacted by the Project	-
Amount (in EUR) <i>This may be the amount of the financial contribution or, as the case may be, the valuation of the support envisaged *</i>	- Estimated value in Euros:.... .. Amount: Currency: - If the contribution is considered in a currency other than Euro, please indicate the estimated amount and the currency concerned: Amount: Currency:

Text of the agreement Please download the draft agreement and, in case of a renewal, the previous agreement(s)	
Duration of engagement	
Target date for validation of the CISC Project	
4 - ASSISTANCE FOR THE IDENTIFICATION OF RISKS	
1. Have you been approached by one of the following people to present the Project?	☐ your management or a colleague ☐ a customer or end-user ☐ a Public Agent or a Politically-Exposed Person ☐ a partner ☐ an intermediary or a consultant ☐ other: specify ☐ I have not been approached by anyone for this purpose
2. Is the Project related to an ongoing call for tenders or an ongoing selection? Is the Project related to a decision related to a contract in progress?	☐ Yes ☐ No ☐ Yes ☐ No
3. Is the aim of the Project to support, directly or indirectly, candidates for elected office, elected officials or their relatives, political parties, trade unions or religious organizations?	☐ Yes ☐ No
4. Do you (or one of your relatives) have a personal interest or benefit in the implementation of the Project?	☐ Yes ☐ No
5. To your knowledge, Thales Group employees: a. Are they part of the managing body of the Beneficiary Organization or are they led to take part in the decision-making process within the Beneficiary Organization?	☐ Yes ☐ No If so, please indicate the identity of the employees concerned and their function within the Beneficiary Organization:

b. Are they called upon to sit on the managing body of the Beneficiary Organization as a result of the support or Membership?	☐ Yes ☐ No If yes, please indicate the identity of the employees concerned and their function within the Beneficiary Organization:
6. Are there any unusual conditions in the Project?	☐ payments requested in cash; ☐ payments requested in favor of a third party other than the Beneficiary Organization; ☐ payments requested on a bank account domiciled in a country other than the one where the Beneficiary Organization is domiciled; ☐ payments requested on an anonymous account or on a personal account? ☐ None of the above conditions
7. One of the managers or directors of the Beneficiary Organization (or one of his/her relatives) is a Public Agent or a Politically-Exposed Person	☐ Yes ☐ No If yes, please specify:
8. To your knowledge, has the Beneficiary Organization been the beneficiary of another CISC Project from an Entity of the Group within the last 12 months?	☐ Yes ☐ No If yes, please specify (concerned Entity, purpose, estimated amount):
5 - AUTHORS OF THE APPROVAL REQUEST	
Requestor	Date: Name, first name and position:
cost Center manager (if different from the Requestor)	Approved : ☐ Yes ☐ No Date: Name, first name and position:

PROJECT ELIGIBILITY VALIDATION	
Validation of eligibility *	☐ Approved

	☐ Rejected Remarks : Date: Name, first name and position:
PROJECT COMPLIANCE REVIEW	
TPIA categorization	☐ O1 ☐ O2 ☐ O3
Has an information request questionnaire been completed by the Beneficiary Organization?	☐ Yes ☐ No File :
Has an external Due Diligence been carried out?	☐ Yes ☐ No
Have other risk prevention measures been implemented?	☐ Yes ☐ No

PROJECT COMPLIANCE VALIDATION	
Validation by the Compliance Officer *	☐ Approved ☐ Rejected Date : Name, first name and position: Remarks :

ADDITIONAL APPROVAL (if required under the then current CISC Instruction)	
Complementary validation of eligibility	☐ Approved ☐ Rejected Date : Name, first name and position: Remarks :
Complementary validation of compliance	Date : Name, first name and position: Remarks :

11. ANNEX 3 - PROVISIONS TO BE MADE

IN THE COMMUNITY INVESTMENT OR SPONSORSHIP AGREEMENTS

Any Entity will ensure that each Community Investment or Sponsorship agreement it concludes with a Beneficiary Organization contains in substance the following provisions:

- The agreement has in principle a maximum duration of one year. However, if the agreement lasts longer than one year, the Entity has the right to terminate it early, by written notification to the Beneficiary Organization taking effect at the end of the current annual period, without being bound to invoke any reason and without assuming any responsibility in this regard vis-à-vis the Beneficiary Organization.
- The Beneficiary Organization undertakes to comply with all laws and regulations which may apply to the activities it carries out.
- The Beneficiary Organization undertakes to carry out only actions falling within the strict framework of its purpose and its objectives declared in the agreement, and to take all its management decisions in accordance with the by-laws in force and with all other applicable internal provisions.
- The Beneficiary Organization guarantees that neither it nor its managers are subject to suspicion as to their integrity, and it undertakes to provide the Entity with all information requested by it relating to the members of the managing body of the Beneficiary Organization as well as on the occasion of any change thereof.
- The Beneficiary Organization will hold the Entity harmless from all damageable consequences, including vis-à-vis third parties, that the Entity may suffer as a result of any actions or omissions for which the Beneficiary Organization would assume responsibility within the framework of its activities.
- The Beneficiary Organization refrains, except in cases where the Entity gives its written authorization for this, to use the name of the Entity or of Thales in connection with the execution of any actions or initiatives on its part.
- The Entity's obligations under the agreement are strictly limited to those expressly stated in the agreement.

In addition, as indicated in the instruction "Third Party Integrity Assessment" (87214613-GOV-GRP-FR), the agreement must contain in substance the clauses relating to the fight against corruption and influence peddling provided for by said instruction.

LOG OF CHANGES

Revision	Date	Author(s)	Modification
001	01/02/2019	Sylvie Blanchard	Creation
002	04/07/2022	Christian SERDET	• Overhaul of the global structure and presentation of the document • Amendment of several definitions (Community Investment, Sponsorship, Public Agent, PEP, etc.) and addition of new definitions (Applicant, CISC Area, etc.) which appear useful for describing various rules of the instruction • Reformulation of certain wordings for the purpose of rigor and precision • Additions intended to avoid difficulties in interpreting the instruction concerning: expenditure for fairs, scope of approval of a multi-annual project • Establishment of two successive bodies for the approval of a project: eligibility review and compliance review • Insertion of a set of provisions on the stakeholders and their roles and responsibilities -> responsibility for the implementation of the instruction entrusted mainly to the Communication Department • Considered case where a Beneficiary Organization solicits several Entities simultaneously • Redefining approval processes • Use of a digital platform for the processing of CISC Projects • Addition of provisions relating to the three levels of control, the archiving of files and the protection of personal data • Increase and standardization of the thresholds determining the applicable approval process (with the clarification that the thresholds are cumulative amounts and that they are exclusive of tax) • Replacement of the approval request form with a more detailed form • Indications given on the legal content that a patronage or sponsorship agreement must have

APPROVAL

	Name	Title	Date	Signature
Owner	Arnaud RAFFESTIN	VP, Ethics & Integrity	July 6, 2022	
Validation	Corinne PANIGHI	VP, Quality and Customer Satisfaction	July 6, 2022	
Approval	Isabelle SIMON	Group Secretary & General Counsel	July 7, 2022	

CAUTION: If this document is printed, check its validity by consulting the latest version in force in Chorus 2.0.

All comments and proposals for changing the content of this document should be addressed to Thales Quality and Customer Satisfaction Department

Community Investment- Sponsorship and
Corporate Membership Governance Instruction

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