

# ANTI CORRUPTION POLICY

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## Preamble

This policy defines the FEC's strategy for managing corruption risks. It emphasizes the FEC's strong commitment to maintaining and strengthening the strictest rules in terms of integrity, ethics and transparency in its activities as well as in the context of its internal and external relations. It also reaffirms the commitment of the FEC's «Zero Tolerance» approach with regard to any form of corruption, influence peddling and any other act undermining probity, whatever its form.

## Article 1: Object

This policy, which implements the provisions of article 13 of the FEC's Code of Ethics and Professional Conduct, outlines the main principles implemented by the FEC in the fight against corruption. It defines the main components of the FEC's anti-corruption system allowing it to know, prevent, detect and remedy any act of corruption, and in general, any breach of probity. It also aims to define the roles and responsibilities of the Bank, its governance bodies, its employees and its various partners.

The provisions of this policy are implemented in accordance with the legal, regulatory and normative framework in the fight against corruption, in particular:

- The Constitution of the Kingdom of Morocco of 2011, in particular its article No. 36;
- The Dahir No. 1-59-413 of 28 Joumada II 1382 (November 26, 1962) relative to the Moroccan Penal Code, in particular its articles No. 248 to No. 256-1;
- The Law No. 46-19, promulgated by Dahir No. 1.21.36 of Ramadan 8, 1442 (April 21, 2021) relative to the National Authority of Probity, Prevention and Fight against Corruption (INPPLC);
- The Directive of the Wali of BAM No. 1/w/2022 of May 19, 2022 relative to the prevention and management by credit institutions of corruption risks;
- The anti-corruption guide developed as part of the cooperation agreement in the field of preventing and fighting against corruption in the financial sector, signed in November 2019 by Bank Al-Maghrib, the Moroccan Capital Market Authority (AMMC), The Supervisory Authority of Insurance and Social welfare (ACAPS) and the INPPLC.

## Article 2: Definitions

**Corruption** : The fact of soliciting or accepting offers, of soliciting or receiving donations, gifts or other advantages to perform or refrain from performing an act of one's function, or an act which, although in outside of his personal responsibilities, is or could have been facilitated by his function, rendering a decision or giving a favorable or unfavorable opinion.

**Influence peddling**: The offense of influence peddling is defined as the act of the Bank's staff and managers using their real or perceived influence based on their affiliation with the Bank, to obtain or attempt to obtain advantages for their own account or on behalf of third parties, regardless their nature.

Corruption can also take several other forms, including the most common:

**Favoritism** : Consists of providing or attempting to provide others with an undue advantage.

**Nepotism** : One of the forms of favoritism based on family ties or relationships to close friends or members of a group (such as geographical, ethnic, political or religious origins).

**Extortion** : Consists of obtaining, for oneself or on behalf of third parties, through payment, a favor such as a signature, information, property or a sum of money, through the use of force, threats, intimidation or blackmail.

**Bribery** : Consists of promising, offering, accepting or soliciting any advantage (a sum of money, a service, a gift, a loan, an invitation, etc.) by acting in an illegal or unethical manner.

**Misappropriation** : Corresponds to the unlawful appropriation, for oneself or on behalf of third parties, for remuneration, of goods or funds entrusted to a person in his or her capacity as an employee within an organization.

## Article 3: Scope

This policy is enforceable against members of the FEC's governance bodies, the General Manager, the Secretary General, managers as well as other employees of the Bank, in addition to interns.

It is also applicable to all external partners with whom the Bank maintains, or plans to establish, any form of business relationship (customers, suppliers, service providers, etc.).

## Article 4: Components of the FEC's anti-corruption system

The key components of the FEC's anti-corruption system revolve, in particular, around the following elements:

### 1. Code of Ethics and Professional Conduct<sup>1</sup>

The FEC's Code of Ethics and Professional Conduct establishes the principles and rules of ethics and good conduct with which all the FEC's employees must identify and adhere in the performance of their functions and which aims in particular to affirm the Bank's commitment to preventing risks linked to corruption. Indeed, the Bank's Code of Ethics and Professional Conduct:

- Establishes the fight against corruption, as one of its general principles;
- Issues specific rules of conduct covering the risks that may be associated in particular with the acceptance of gifts, invitations and other advantages;
- Provides a system for identifying and managing conflict of interest situations;
- Outlines rules of conduct specific to the Bank's employees involved in the process of awarding and executing public contracts, in addition to the provisions stipulated in this area by the FEC's procurement Regulations.

### 2. Ethics Alert System (Whistleblowing)

An ethics alert system has been set up within the FEC and is intended to collect internal and external reports relative to the existence of inappropriate behavior, in particular in violation of the current Policy and the FEC's Code of Ethics and Professional Conduct in the same conditions stated in article 14 of the FEC's Code of Ethics and Professional Conduct.

In accordance with the terms of CNDP (The National Commission for Data Protection) Deliberation No. 351-2013 of May 31, 2013 relative to the terms of implementing professional alert systems, the scope of application of the Bank's ethics alert system is limited to the following fields:

- 1- Violation of competition rules and principles of execution and procurement;
- 2- Conflicts of interest;
- 3- Use of privileged information;
- 4- Falsification of documents or audit reports;
- 5- Theft, fraud or misappropriation of the Bank's property;
- 6- Corruption;
- 7- Influence peddling;
- 8- Discrimination;
- 9- Sexual harassment.

1. The FEC's code of Ethics and Professional Conduct is published on its Website: [www.fec.ma](http://www.fec.ma)

Thus, the FEC's employees or any external party having observed or become aware of elements or facts suggesting the existence of inappropriate behavior, in particular a case of corruption, should promptly report it to the FEC's ethics Manager<sup>2</sup> through the ethics alert form<sup>3</sup>, of which the model appears in Appendix 1 of this Policy.

The information communicated as part of an ethics alert is confidential and is transmitted to the FEC's ethics Manager through one of the following channels:

- By confidential mail, in sealed envelope, to the following address: Fonds d'Equipement Communal, Espace Oudayas, corner of avenue Annakhil and avenue Ben Barka, Manager of the Compliance Function: B.P. 2175 - Hay Ryad 10100-Rabat-Morocco
- By email to the following address: **conformite@fec.ma**

Additionally, the identity of the author of the alert is preserved as well as any personal data concerning him. Furthermore, the FEC protects him from any discrimination linked in particular to his position (professional development, training, etc.) as well as from any measure of retaliation, direct or indirect, against him.

The author of the alert may choose to remain anonymous if desired. In this case, he must provide a non-nominative email address for communication and for deepening his alert, particularly during the investigations.

However, abusive and defamatory use of this ethics alert system may expose its author to disciplinary sanctions and/or legal proceedings<sup>4</sup>.

### 3. Mapping of corruption risks

Corruption risks are defined and assessed through a specific mapping, based on the Bank's overall operational risk mapping.

The corruption risk mapping is regularly reviewed to take into account changes in the environment and the Bank's activities.

### 4. Relationship with partners

The FEC defines the due diligence to be carried out with its partners (customers, suppliers and service providers, etc.) which may expose it to corruption risks. The extent of this due diligence depends on the nature of the relationship, the type of partner and their risk profile.

Moreover, anti-corruption clauses, referring to this policy, are integrated into the contractual documents binding the FEC to its partners.

### 5. Awareness and training

The FEC ensures that its employees, particularly those most exposed to the risk of corruption, benefit from training aimed at promoting their adherence to the current Policy and to the principles and rules of ethics and good conduct set out in the FEC's Code of Ethics and Professional Conduct.

<sup>2</sup> This role is carried out by the Manager of the FEC's Compliance Function.

<sup>3</sup> Any ethics alert must be formalized through the aforementioned form and must describe, in the most detailed manner possible, the alleged facts that are the subject of the alert. It must also have reasonable elements and provide indications allowing one to believe in the veracity of the statements reported in the alert.

<sup>4</sup> The author of the alert must be of good faith. Good faith means when an alert is reported without malice and not aiming solely to undermine the honor and probity of the individuals targeted by the alert.

## Article 5: Roles and responsibilities

### Board of Directors

The Board of Directors approves this Policy and ensures the implementation of the necessary resources to guarantee the effectiveness of the Bank's anti-corruption system.

### General Management

The General Management is committed to ensure that its duties and activities are free from any violation of the principles of probity and integrity (Tone of the top), specifically through:

- Exemplary personal behavior in terms of integrity and probity, fostering this as a culture within the FEC;
- Promoting transparency and communication regarding the anti-corruption system;
- Implementing sufficient measures to achieve the effectiveness and efficiency of the anti-corruption system;
- Appropriate management of the anti-corruption system;
- Compliance with this policy when making its decisions;
- Ensuring appropriate and proportionate sanctions in the event of behavior likely to be qualified as corruption or a breach of probity, without prejudice to criminal sanctions imposed by the competent judicial authorities.

### Managers

The Pole(s) Director(s), the Director(s), the Deputy Director(s) as well as the Managers of the Structures and Functions of the Bank designated as "Managers", ensure strict compliance by their team members and other external stakeholders with the provisions of this Policy and the established measures for its implementation.

They commit to conducting their missions, skills or activities without compromising probity, emphasizing exemplary personal behavior in terms of integrity and probity.

They are in charge of assisting employees within their structures to enable them to properly understand and apply the provisions of this Policy.

### Other Bank Employees

The FEC's employees are required to strictly comply with the provisions of this Policy and the established measures for its implementation, as well as the legislative and regulatory provisions in force regarding the fight against corruption and influence peddling.

Each Bank Employee must ensure irreproachable ethical behavior and adhere to and respect the culture of integrity promoted by the FEC, and reflect it into their relationships with partners.

They must be vigilant regarding any solicitation or pressure potentially constituting an indication of corruption or influence peddling with which they may be confronted and inform their superiors or the FEC's Conformity Manager, using, where appropriate, the ethics alert system.

### Internal Audit Function

The Internal Audit Function is in charge of monitoring and evaluating the FEC's anti-corruption system in its entirety and reporting any non-compliance with the FEC's Conformity Manager and the FEC's Ethics Committee, where applicable with the application of the provisions of this Policy.

### Ethics Manager

The Ethics Manager is in charge<sup>5</sup> of supervising and monitoring the implementation of this Policy and providing assistance and advice to all FEC's employees regarding the fight against corruption.

<sup>5</sup> This role is carried out by the Manager of the Compliance function.

## **Partners**

The Bank's partners are required to strictly adhere to national legislation and regulations regarding the fight against corruption and influence peddling. They must not engage in any form of immoral practices. In this regard, partners commit, notably:

- Not to engage, either directly or indirectly, in any corrupt practices what so ever.
- Not to make promises, gifts, or presents directly or indirectly, to influence the FEC's collaborators.

## **Article 6: Archiving**

The archiving system in force at the FEC also applies to the implementation of this Policy to ensure the effectiveness of the anti-corruption measures deployed within the Bank.

## **Article 7: Anti-corruption financial controls**

The FEC maintains financial statements that accurately and sufficiently detail financial flows. The Bank therefore deploys an accounting and operational control system to ensure that accounts are not used to hide acts of corruption or influence peddling.

## **Article 8: Protection of personal data**

As part of the deployment of this Policy, involving the processing of personal data, the FEC commits to comply with the provisions of Law No. 09-08 related to the protection of individuals with regard to the processing of personal data. This ensures compliance with these processes and the terms of CNDP Deliberation No. 351-2013 of May 31, 2013 related to the conditions for implementing professional alert systems.

## **Article 9: Sanctions**

Without prejudice to legal proceedings, any violation of the provisions of this Policy exposes its author to the disciplinary sanctions provided for by the Internal Regulations of the FEC, or to the implementation of coercive measures taking into account the nature of their relationship with the FEC.

## **Article 10: Publication**

This Policy is communicated to all employees and partners of the Bank. This Policy is published on the Bank's website [www.fec.ma](http://www.fec.ma)

## **Article 11: Commitment**

Individuals referred to in article 3 above must complete the form according to the internal model in force bearing a personal commitment to respect the provisions of this Policy, and affix their signature, preceded by the handwritten words "read and approved". This commitment is renewed, electronically, each time the Policy is updated.

## **Article 12: Effective date and update procedures**

The provisions of this Policy take effect from the date of its approval by the Board of Directors of the Bank. This Policy is evolving and is subject to revision in order to take into account the evolution of the internal and external context of the Bank and the corruption risks inherent to its activities.

It will be periodically updated in order to reflect regulatory changes in or revisions to establish measures for its implementation.

## Appendix 1

# ETHICS ALERT

(Article 4 of the anti-corruption policy)

(Form to be completed by the author of the alert)

To be sent confidentially to the FEC's ethics Manager

### Optional<sup>6</sup>

#### If you are a Bank employee :

First name/last name of the author of the alert:.....

Registration number:.....

Position:.....

Pole/Division/Department/Position:.....

email address<sup>7</sup>:.....

#### If you are an external party to the Bank :

First name/last name of the author of the alert:.....

Affiliated organization:.....

Phone Number :.....

email address<sup>8</sup>:.....

#### 1. Employee(s) subject to the alert

First name / Last name :.....

Position:.....

Pole/Division/Department/Position:.....

#### 2. Description of the incidents subject to the alert

Description as detailed as possible of the alleged incidents :.....

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Date of occurrence:.....

Place of occurrence:.....

Individuals involved (if any): .....

Witnesses (if any):.....

Date and signature of the author of the alert

☐ I am attaching documents justifying the stated facts.

☐ I do not have any documents justifying the stated facts.

<sup>6</sup> Information related to the First name/last name of the author of the alert, Registration number, position, affiliated entity (or organization) and their phone number are not mandatory.

<sup>7</sup> and <sup>8</sup> In the event of an anonymous alert, the author of the alert must provide a non-nominative email address for communication and further investigation of their alert.



