

VIVERIS MANAGEMENT – 2009 COMMUNICATION ON PROGRESS

WITHIN THE FRAMEWORK OF THE MEDITERRANEAN PRIVATE EQUITY FUND « ALTERMED », IMPROVEMENTS REGARDING THE ANTI-MONEY LAUNDERING (AS WELL AS ANTI-TERRORISM, ANTI-PROHIBITED PAYMENTS) AND THE ENVIRONMENTAL FIELDS

Established in 2000, Viveris Management is a management company which gathers three types of activities: (i) since the origin, the management of private equity funds in France, in the French Overseas Territories and now in the Mediterranean region, (ii) the management of real estate funds and (iii) the launching of a new business in the infrastructure field (green energies). Viveris Management, with around 60 employees, has roughly € 1.5 billion under management.

Viveris Management committed to the United Nations Global Compact within the framework of a new private equity fund aimed at investing in SMEs located in the Mediterranean region, named "AlterMed".

AlterMed is the first-compartment type PE fund focused on the Mediterranean region; it benefits from investment teams set up in each target country (Morocco, Tunisia and Turkey).

With a target size of €75 million, AlterMed gathers three geographical compartments: (i) "AlterMed MAGHREB" dedicated to investments in Moroccan SMEs and relying on an investment team located in Rabat, (ii) "AlterMed APEF" dedicated to investments in Tunisian SMEs and relying on an investment team located in Tunis and (iii) "AlterMed TURKEY" dedicated to investments in Turkish SMEs and relying on an investment team based in Istanbul.

AlterMed takes minority stakes in family-owned, non-listed SMEs within the framework of expansion capital and buyout transactions.

As the management company of the AlterMed fund, Viveris Management is responsible (i) for the fund raising of AlterMed, as well as (ii) the identification, the study and negotiation of investment opportunities, (iii) the monitoring of the portfolio companies, (iv) the identification and negotiation of exits.

I. ALTERMED'S SPECIFIC OBJECTIVES IN ACCORDANCE WITH THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES

I.1 ANTI-CORRUPTION FIELD (GLOBAL COMPACT PRINCIPLE 10): DURING THE FUND RAISING AND THE INVESTMENT STAGES, TO DEPLOY PROCESSES AGAINST MONEY LAUNDERING, TERRORIST AND PROHIBITED PAYMENTS ACTIVITIES

Before agreeing on a fund subscription from a prospective investor and before taking the decision to invest in a target company, Viveris Management shall take the necessary steps to ensure that the subscriber (or) the target company is not involved in:

- money laundering,
- terrorism,
- and prohibited payments.

AlterMed's specific objectives	AlterMed's major concrete actions
<ul style="list-style-type: none"> • Anti-money laundering, anti-terrorism, anti-prohibited payments 	<ul style="list-style-type: none"> • Before any fund subscription, to fill in an "anti-money laundering form" for each prospective subscriber and for each shareholder (individual/ legal entity) of the prospective subscriber (to check the identity, the localization...) and to collect some related documents (ID, address evidence, level of assets, registration evidence...)
	<ul style="list-style-type: none"> • Before any investment, to fill in an "anti-money laundering form" for each target company and each shareholder (individual/ legal entity) of the target company and to collect some related documents
	<ul style="list-style-type: none"> • Before any subscription or investment, to check the presence or not on the lists of sanctioned persons and entities promulgated by the United Nations Security Council and by the European Union
	<ul style="list-style-type: none"> • Before any subscription or investment, to check the presence or not on the list of companies having been sanctioned as part of the World Bank Group sanctioned process for engaging in a corrupt, or fraudulent, or coercive, or collusive or obstructive practice
	<ul style="list-style-type: none"> • If there is a doubt, to notify it to the Viveris Management Compliance officer and internal controller and to launch additional researches
	<ul style="list-style-type: none"> • When necessary, before the investment in a target company, to carry out some additional financial or accounting audits

I.2 ENVIRONMENTAL FIELD (GLOBAL COMPACT PRINCIPLES 7 & 8): TO CHECK AND TO MEASURE THE ENVIRONMENTAL IMPACT OF FUTURE PORTFOLIO COMPANIES' ACTIVITIES

- Before taking the decision to invest, Viveris Management shall take the necessary steps to ensure that AlterMed's target companies, within the framework of their operations, avoid or restrict, as much as available techniques allow, damages on environment such as in particular :
 - (i) production, trade, storage, or transport of products or waste of dangerous, toxic, radioactive or cancer-producing materials...,
 - (ii) the exploitation, use, or occupancy of installations that would emit vapours, smokes or other chemical compound in the atmosphere in violation of applicable legislation ...,
 - (iii) emission of products, chemical compounds, processed preparations, wrapping, waste or residuum in a river either subterranean or not, in a water table, a well, a lake, a pond or the sea...
 - ...
- Before taking the decision to invest, assessment of the environmental impact might be made, regarding a given list of projects such as:
 - (i) Crude-oil refineries,
 - (ii) Thermal power stations and other combustion installations with a heat output of 300 megawatts or more, nuclear power stations and other nuclear reactors,
 - (iii) Installations for the reprocessing of irradiated nuclear fuel,
 - (iv) Integrated works for the initial smelting of cast-iron and steel,
 - (v) Installations for the extraction of asbestos,
 - (vi) Integrated chemical installations...
- Before taking the decision to invest, an assessment of the environmental impact is to be contemplated on the basis of a case-by-case examination, regarding a given list of activities:
 - (i) Agriculture, silviculture and aquaculture,
 - (ii) Extractive industry,
 - (iii) Energy industry,
 - (iv) Production and processing of metals,
 - (v) Mineral industry,

- (vi) Chemical industry
- (vii) Food industry,
- (viii) Textile, leather, wood and paper industries,
- (ix) Rubber industry,
- (x) Infrastructure projects,
- (xi) Tourism and leisure

...

- For each new portfolio company, an “environmental fiche” will be completed. It deals with subjects such as the impact on air, water, land, nature and also includes a section measuring some social impacts (on health, safety, society...).

I.3. ALL FIELDS (GLOBAL COMPACT’S 10 PRINCIPLES): TO OBTAIN A COMMITMENT FROM EACH PORTFOLIO COMPANY’S CHAIRMAN

Before taking the decision to invest in a target company, Viveris Management shall obtain a written commitment from the Chairman of the target company to make its best efforts to conduct its business in accordance with the ten principles of the United Nations Global Compact.

II. ALTERMED AND VIVERIS MANAGEMENT’S CORPORATE GOVERNANCE SCHEME

In order notably to achieve the objectives mentioned above, Viveris Management has set up a strict corporate governance scheme at the levels of Viveris Management and of the AlterMed fund.

At Viveris Management level

- A **Supervisory committee**
- An **Audit committee**
- A **Commitment committee**, chaired by the Chairman of Viveris Management
- A **compliance officer and internal controller**
- A **management system focused on quality, certified ISO 9001** (first management company managing funds dedicated to institutions and individuals to be certified in France)

At AlterMed level

- An **Investment consultative committee for each Altered compartment**
 - Advising on investment and divestment projects
 - Members: 10 independent experts from the economic and financial business community of the compartment target countries
- A **Strategic committee for each Altered compartment**
 - Dealing with potential conflicts of interests, ethics subjects
 - Members: the six largest holders of units of the compartment
- **Quarterly Follow-up committees**
 - Review of all the portfolio companies
- **Half year portfolio valuation committees**
 - Determine the half year portfolio valuation in conjunction with the unit value computation
- **Regular reporting to subscribers**
 - Annual management report
 - Annual subscribers meeting
 - Quarterly activity reports

III. ALTERMED'S EXAMPLES OF INDICATORS AND QUANTITATIVE OBJECTIVES

AlterMed's specific objectives	Examples of indicators	Quantitative objective by indicator
<ul style="list-style-type: none"> • Anti-money laundering, anti-terrorism, anti-prohibited payments 	<ul style="list-style-type: none"> • % of completed "Anti-money laundering forms" for all subscribers • % of completed "Anti-money laundering forms" for all portfolio companies 	<ul style="list-style-type: none"> • 100% at the end of AlterMed's subscription period • 100% at the end of AlterMed's investment period (4-5 years)
<ul style="list-style-type: none"> • Measurement of the environmental impact 	<ul style="list-style-type: none"> • % of completed "environmental fiche" for all portfolio companies 	<ul style="list-style-type: none"> • 100% at the end of AlterMed's investment period
<ul style="list-style-type: none"> • General commitment from portfolio companies' chairmen 	<ul style="list-style-type: none"> • % of Chairmans' written commitments to the 10 Global compact principles for all portfolio companies 	<ul style="list-style-type: none"> • 100% at the end of AlterMed's investment period

Sources: The AlterMed fund's Regulations, European Investment Bank and International Finance Corporation requirements.