

# Information record summary



## Annual update 2011 Issuance of commercial paper

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**Issue program ceiling : 200 000 000 MAD**  
**Per value : 100 000 MAD**

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**Financial Advisor**

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**BMCE CAPITAL**   
CONSEIL

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**Placement Agent**

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**BMCE BANK** 

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**VISA OF CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES (FINANCIAL AUTHORITY)**

In accordance with the CDVM Circular taken pursuant to Article 18 of the Dahir No. 1-95-3 of September 21st 1995 relative to the Conseil Déontologique des Valeurs Mobilières (CDVM) and the information required by legal persons with public offering as amended and supplemented, the original of this present note has been Approved by the CDVM on August 17<sup>th</sup> 2012 under the reference number VI/EM/030/2012

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**WARNING**

The Conseil Déontologique des Valeurs Mobilières (CDVM) referred on August 17<sup>th</sup> 2012 an Information Record relative to the issuance of commercial paper by CAPEP. The Information Record approved by the CDVM is available at any time at the headquarters of CAPEP (Km 9 route de Médiouna Hay Inara, Casablanca, Maroc) and at the financial advisor. It is also made available within 48 hours at Casablanca Finance Markets (website : [www.casablanca-bourse.com](http://www.casablanca-bourse.com)). It is also available on the CDVM website ([www.cdvm.gov.ma](http://www.cdvm.gov.ma)).

## I. Introduction to Operation

### I.1. Characteristics of transaction

<b>Nature of securities</b>	Marketable securities dematerialized via registration in the Central depository (Maroclear) and entered into an account among authorized affiliates
<b>Form of securities</b>	Commercial papers written out to bearer
<b>Issue ceiling</b>	MAD 200 000 000
<b>Number of securities</b>	2 000
<b>Par value</b>	100 000 MAD
<b>Maturity</b>	From 10 days to 12 months – To determine for each issue
<b>Entitlement date</b>	Date of payment
<b>Interest rate</b>	Determined for each issue according to market conditions
<b>Coupon payment</b>	<i>In fine</i> . i.e. at due date of each commercial paper
<b>Repayment of capital</b>	<i>In fine</i> . i.e. at due date of each commercial paper
<b>Negotiability of securities</b>	No restriction is imposed by the terms of issue with regard to the marketability of the treasury bills issued.  The securities are negotiable over the counter. Negotiability is guaranteed by BMCE Bank.
<b>Guarantee</b>	This issue carries no guarantees

### I.2. Objectives

The Company wishes to undertake a commercial paper issuance program in order to :

- Optimize the cost of short term financing by substituting partially or integrally the existing bank debt and overdrafts by treasury bill projects ;
- Meet the individual cash requirements induced by working capital variations due to development of the activity ;
- Diversify funding sources in order to dispose of a leverage to negotiate with financial partners ;
- Consolidate its image among the institutional investors through a significant presence on the capital market.

### I.3. Placement Agent and Financial Intermediaries

Financial Intermediaries	Name	Address
Advisor and coordinator	BMCE Capital Conseil	63, Bd Moulay Youssef, Casablanca
Placement Agent	BMCE Bank	140, Avenue Hassan II, Casablanca
Securities Account Manager	BMCE Bank	140, Avenue Hassan II, Casablanca
Central Custodian	Maroclear	Route 1077 par route d'El Jadida, 18 Cité Laia – 20200 Casablanca

## II. Issuer information

### I.4. Overview

<b>Corporate name</b>	Capep SA
<b>Legal Headquarters</b>	Km 9 route de Médiouna Hay Inara, Casablanca, Maroc
<b>Phone</b>	+ 212 5 22 21 63 95
<b>Fax</b>	+ 212 5 22 21 07 42
<b>Website</b>	<a href="http://www.capep.co.ma">www.capep.co.ma</a>
<b>Forme juridique</b>	Limited company (Société Anonyme) with board of directors, governed by the law n°17/95 on Limited companies (Sociétés Anonymes) as amended and supplemented
<b>Date of creation</b>	1989
<b>Life span</b>	99 years
<b>Trade register n°</b>	55 365 – Casablanca
<b>Fiscal year</b>	From January 1 <sup>st</sup> to December 31 <sup>th</sup>
<b>Registered capital:</b>	MAD 30 000 000 split up into 30 000 shares of MAD 1 000 each
<b>Corporate purpose</b>	<p>According to article 2 of the by-laws the corporate purpose is :</p> <ul style="list-style-type: none"> <li>▪ The execution of all public and private works related to buildings ;</li> <li>▪ Import, export of products, materials, tools for construction and transport vehicle ;</li> <li>▪ The study and the achievement of all the projects, contracted with individual customers or the State, related to buildings and civil engineering, and all hydraulic systems and water pipes ;</li> <li>▪ All operations related to plumbing repairs and sanitation ;</li> <li>▪ The management, leasing, acquisition, sales of all goodwill, and all properties necessary to the achievement of the corporate purpose ;</li> <li>▪ The direct or indirect acquisition of shares related to companies pursuing the same corporate purpose ;</li> <li>▪ And more generally, all operations concerning real estate, industry, commercial or financial purpose that can be related to the purposes presented above or which may promote the company's development.</li> </ul>
<b>List of applicable laws and regulations</b>	<p>By its legal form, the company is governed by the Dahir n° 1-96-124 of 14 Rabii II 1417 (August 30<sup>th</sup> 1996) promulgating the law n° 17-95 relative to limited companies as modified and completed by the Dahir n°1-08-18 of 17 Jomada I (May 23<sup>th</sup> 2008) promulgating the law n°20-05.</p> <p>By its activity, the company is governed by :</p> <ul style="list-style-type: none"> <li>▪ The Decree n° 2-06-388 of 16 moharrem 1428 (February 5<sup>th</sup> 2007) fixing the conditions and the procedures to award the governments contracts, and the rules of their management and control ;</li> <li>▪ The CCAG-T : Decree n° 2-99-1087 of 29 moharrem 1421 (May 4<sup>th</sup> 2000) approving the General Conditions of Contract applicable to contracts executed for the government.</li> </ul>

By the issue of commercial paper, object of this document, the company is subject to the the following legal and regulatory provisions :

- The Dahir n° 95-03 of January 26<sup>th</sup> 1995 promulgating the law n° 35-94 relative to some negotiable debt securities ;
- The Central Depository general regulations approved by the minister of Finances and Economy decree n°932- 98 of April 16<sup>th</sup> 1998 and amended by the decree n°1961-01 of October 30<sup>th</sup> 2001 ;
- The Dahir n° 1-93-212 of September 21<sup>th</sup> 1993 relative to the CDVM and the information required by legal persons with public offering as amended and supplemented by the laws n°23-01 26-05, 44-06 ;
- The general regulations of the CDVM as approved by the minister of Finances and Economy decree n°882-08 of April 14<sup>th</sup> 2008 ;
- The Dahir n° 1-96-246 of January 9<sup>th</sup> 1997 promulgating the law n° 35-96 relative to the creation of a Central Depository and the establishment of a general regulation system to the registration of certain values (Amended by the law n°43-02.

<b>Consultation of legal documents</b>	The by-laws, the minutes of general meetings, the annual report and the auditors report can be consulted at the headquarters of Capep
<b>Competent jurisdiction</b>	Commercial court of Casablanca
<b>Tax system</b>	The company is regulated by the commercial and social legislation. The income tax rate is 30%, and Capep's operations are subject to a 20% tax rate

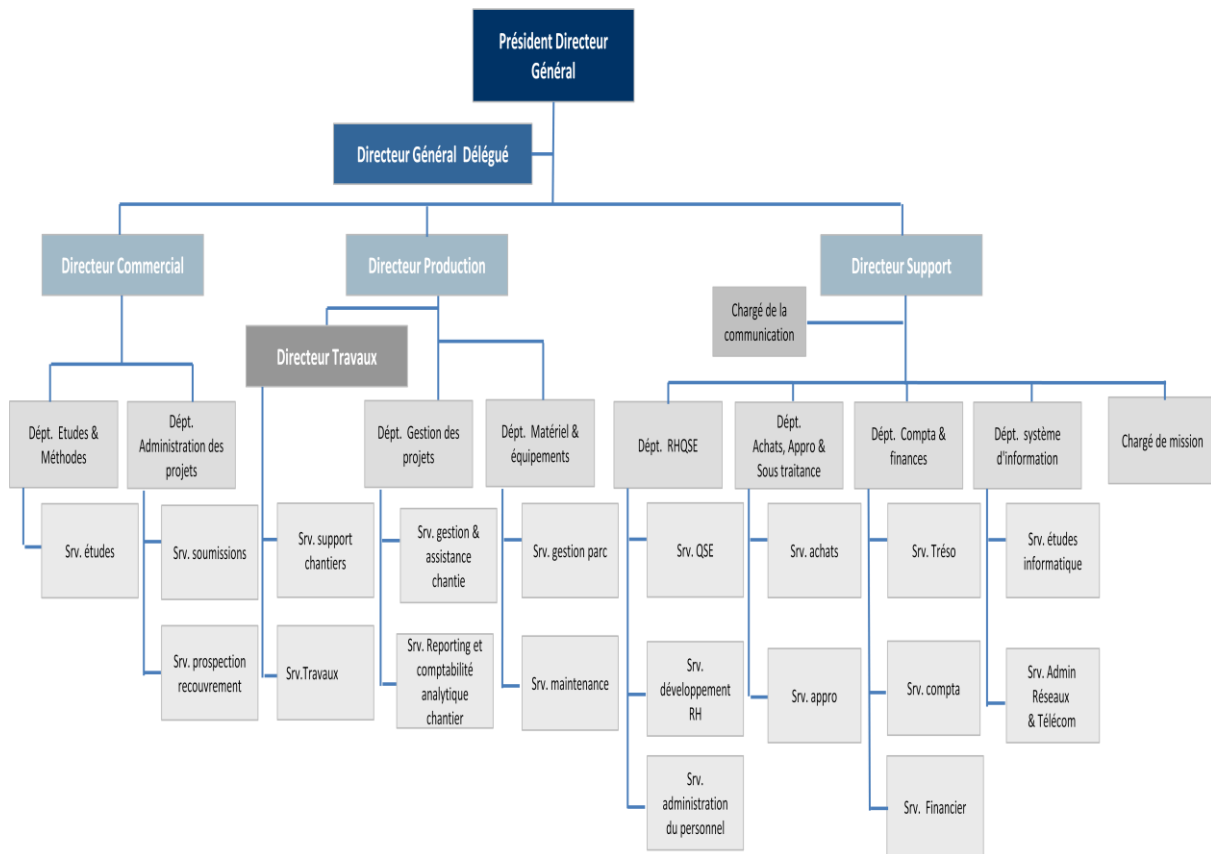
Source : CAPEP

### 1.5. Structure of shareholders

Shareholders	December 2011		April 2012	
	Number of shares	% of equity and voting rights	Number of shares	% of equity and voting rights
Ibnou Zahir Mohamed	12 000	40,0%	11 997	39,99 %
Ibnou Zahir Youness	4 500	15,0%	4 500	15,00 %
Ibnou Zahir Hassan	3 750	12,5%	3 749	12,50 %
Héritiers Ibnou Zahir Ismail	3 750	12,5%	3 750	12,50 %
Ibnou Zahir Samira	3 000	10,0%	2 998	9,99 %
Ibnou Zahir Soumia	3 000	10,0%	3 000	10,00 %
Jamal Lahbabi			1	0,003 %
Zineb El Bayed			1	0,003 %
Meriam SABRALLAH			1	0,003 %
Ahmed Ibnou Zahir			1	0,003 %
Idriss Ibnou Zahir			1	0,003 %
Abderrahmane Ibnou Zahir			1	0,003 %
<b>Total</b>	<b>30 000</b>	<b>100,0 %</b>	<b>30 000</b>	<b>100,0 %</b>

Source : CAPEP

**I.6. Functional organization chart**



Source : CAPEP

**I.7. Presentation of Capep’s main sectors of activity :**

**I.7.1. Presentation of Capep’s business :**

Historically present in all trades of construction and civil engineering related to water (water pipes, and sanitation), the Company’s activities are organized as follow :

**Figure 1. CAPEP’s activities by the end of 2011**

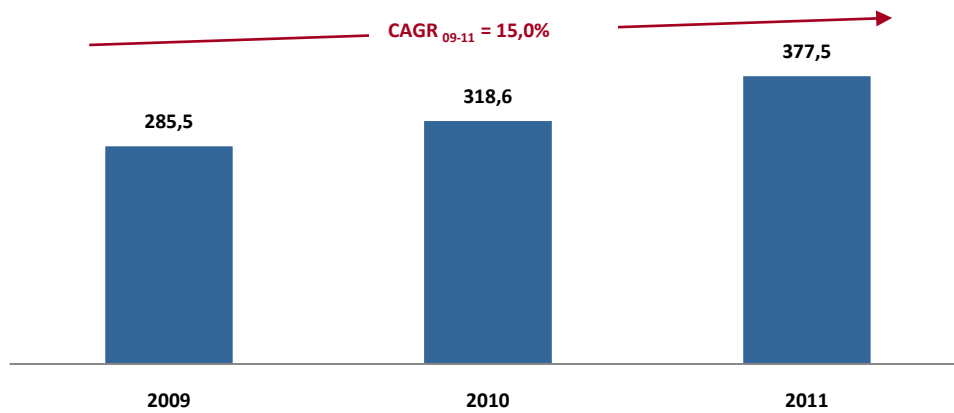


Source : Capep

1.7.2. Sales evolution

Capep's sales evolution during the last three years is presented as follow :

**Figure 2. Sales evolution between 2009 and 2011 (in MAD Millions)**



Source : Capep

By the end of 2011, the sales of Capep reach MMAD 377,5, increasing by a CAGR of 15,0% between 2009 and 2011. The improvement of the activity comes as a result of obtaining multiple important contracts. Therefore, the execution of these contracts led to an increase of its revenue. The company bills its services as their realization is achieved and the delivery of different parts of the contract is done.

Thus, the turnover's growth results from two factors : (i) Continuation (or delivery) of projects initiated the previous year, and (ii) Obtaining new contracts through market framework (particularly with public services delegation) and tendering for a public or private contract. The market framework are global markets which the company try to held. Those markets define the bill for each service that could be realized by the company.

**1.7.3. Capep's main customers**

During the period 2009 – 2011 , the company's main customers appears as follow :

*Tableau 1 Capep's main cutomers between 2009 and 2011*

Customer	Contract type	2009		2010		2011	
		Amount (MMAD)	%	Amount (MMAD)	%	Amount (MMAD)	%
ONEP	Public	104,28	36,50%	91,94	28,80%	80,75	21,39%
Direction des aménagements hydrauliques	Public					75,05	19,88%
LYDEC	Privé	38,88	13,60%	32,29	10,10%	53,99	14,30%
Secrétariat d'Etat en Environnement	Public					23,43	6,21%
ORMVAG	Public					17,13	4,54%
REDAL	Privé	18,33	6,40%	7,47	2,30%	14,82	3,93%
Agence urbaine d Casablanca	Public					13,89	3,68%
Agence Pour le Progrès	Public					13,34	3,53%
RADEEF	Public					12,46	3,30%
AL OMRANE	Prive	20,38	7,10%	4,46	1,40%	12,21	3,23%
AMENDIS	Prive	11,16	3,90%	14,64	4,60%	11,16	2,96%
Autoroute du Maroc	Public					10,15	2,69%
RADEET	Public	0	0,00%	13,57	4,30%	9,66	2,56%
RAK	Public	0,65	0,20%	70,71	22,20%	7,07	1,87%
RADEMA	Public					7,01	1,86%
Agence pour l'Urbanisation et le Développement d'Anfa	Public					5,32	1,41%
RADEEO	Public	54,33	19,00%	56,66	17,80%	2,49	0,66%
AUTRES	-	37,53	13,10%	26,88	8,40%	7,52	1,99%
<b>Total revenue</b>		<b>285,54</b>	<b>100,00%</b>	<b>318,62</b>	<b>100,00%</b>	<b>377,45</b>	<b>100,00%</b>

Source : Capep

By the missions it completes in its activity, ONEP realizes significant investments to secure drinking water to the moroccan population. The Office appoints Capep many contracts, and therefore represents the company's main customer, contributing by 21,4% to the global revenue in 2011 (vs. 36,5% of the global turnover in 2009).

In 2011, the company's attracts a new client, which is the "Direction des Aménagements Hydrauliques", contributing by 20,0% to the company's global revenue.

Capep's activity is concentrated around a restricted number of customers (public and private). The five first customers held 66,3% of the global revenue by the end of 2011. This concentration is due to the nature of Capep's activity (construction works, etc.).

In general, the customers pays the bills issued by the company in a period between 60 days and 90 days. However, since the major part of Capep's customers are public companies (public offices, independent administrations, etc.), the actual term of payment can be higher (complexity of the administrative process to unlock Capep's payment) reaching out 177 days of revenue all taxes included in 2011 (vs. 158,9 days of the global revenue all taxes included in 2009) (refer to the financial analysis as presented in the information record).

### III. Issuer financial data :

#### I.8. Balance Sheet

##### I.8.1. Assets – 2009, 2010 et 2011

Over the past three fiscal years the balance sheet of CAPEP is presented as follow :

Assets - KMAD	2009	2010	2011
Intangible fixed assets	101	75	50
<b>% of total balance sheet</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>
Preliminary start up fees	101	75	50
Tangible fixed assets	21 236	22 031	24 473
<b>% of total balance sheet</b>	<b>9,6%</b>	<b>8,2%</b>	<b>8,1%</b>
Machinery	16 725	17 291	18 576
Transport equipment	297	340	663
Office materials	4 215	4 399	5 234
<b>Fixed assets</b>	<b>21 337</b>	<b>22 106</b>	<b>24 523</b>
<b>% of total balance sheet</b>	<b>9,6%</b>	<b>8,2%</b>	<b>8,1%</b>
Stocks	30 044	25 158	26 647
<b>% of total balance sheet</b>	<b>13,6%</b>	<b>9,3%</b>	<b>8,8%</b>
Consumables	15 993	11 469	13 179
Goods in process	14 051	13 689	13 468
Receivables	168 992	222 371	246 487
<b>% of total balance sheet</b>	<b>76,4%</b>	<b>82,3%</b>	<b>81,7%</b>
Trade payables, advances and downpayments	-	-	1 298
Customers	151 215	203 356	222 716
Advances to employees	141	191	170
Payable tax - assets	12 723	18 273	21 446
Current account	3 000	-	-
Other debtors	1 731	397	-
Adjustment account assets	182	155	857
<b>Current assets</b>	<b>199 036</b>	<b>247 529</b>	<b>273 134</b>
<b>% of total balance sheet</b>	<b>89,9%</b>	<b>91,6%</b>	<b>90,5%</b>
Cash assets	906	452	4 064
<b>% of total balance sheet</b>	<b>0,4%</b>	<b>0,2%</b>	<b>1,3%</b>
Cheques and bills	-	-	1
Cash at bank	819	367	3 929
Cash account, Imprest account	87	86	133
<b>Total Assets</b>	<b>221 279</b>	<b>270 088</b>	<b>301 722</b>

Source : Capep

## I.8.2. Liabilities – 2009, 2010 et 2011

Liabilities and equity - KMAD	2009	2010	2011
<b>Equity</b>	<b>38 551</b>	<b>43 097</b>	<b>48 684</b>
<i>% of total balance sheet</i>	<i>17,4%</i>	<i>16,0%</i>	<i>16,1%</i>
Equity capital	30 000	30 000	30 000
Legal reserves	1 142	1 338	1 566
Other reserve	2 004	2 004	2 004
Retained Earnings Account	1 485	5 208	9 527
Net Income	3 919	4 546	5 587
<b>Non current liabilities</b>	<b>587</b>	<b>84</b>	<b>0,0</b>
<i>% of total balance sheet</i>	<i>0,3%</i>	<i>0,0%</i>	<i>0,0%</i>
Other financing debt	587	84	0,0
<b>Permanent capital</b>	<b>39 138</b>	<b>43 181</b>	<b>48 684</b>
<i>% of total balance sheet</i>	<i>17,7%</i>	<i>16,0%</i>	<i>16,1%</i>
<b>Current liabilities</b>	<b>83 894</b>	<b>119 342</b>	<b>137 975</b>
<i>% of total balance sheet</i>	<i>37,9%</i>	<i>44,2%</i>	
Suppliers and associated accounts	48 595	74 611	91 375
Receipt in advance	5 429	6 140	6 827
Employees	1 429	1 821	2 529
Social security bodies	1 426	1 731	2 134
Liabilities tax payable	24 774	33 162	32 627
Current account	-	-	-
Other debts	264	595	769
Adjustment accounts Liabilities	1 976	1 282	1 714
<b>Short term debt</b>	<b>83 894</b>	<b>119 342</b>	<b>137 975</b>
<i>% of total balance sheet</i>	<i>37,9%</i>	<i>44,2%</i>	<i>45,7%</i>
<b>Cash - Liability</b>	<b>98 247</b>	<b>107 565</b>	<b>115 062</b>
<i>% of total balance sheet</i>	<i>44,4%</i>	<i>39,8%</i>	<i>38,1%</i>
Discount credit	5 310	1 858	0
Cash advance	67 817	76 403	98 748
Regularization Bank	25 120	29 305	16 315
<b>Total liabilities</b>	<b>221 279</b>	<b>270 088</b>	<b>301 722</b>

Source : Capep

**I.9. Income statement 2009, 2010, 2011**

Over the past three fiscal year the income statement is as follow :

KMAD	2009	2010	2011
<b>I Operating revenue</b>			
Sales of merchandise			
Sales of goods and services produced	285 537	318 620	377 455
<b>Sales</b>	<b>285 537</b>	<b>318 620</b>	<b>377 455</b>
Variation in product inventory	1 754	-362	-221
<b>TOTAL I</b>	<b>287 291</b>	<b>318 258</b>	<b>377 233</b>
<b>II Operating expenses</b>			
Cost of goods sold			
Consumed operating supplies	168 033	193 528	233 921
Other external expenses	47 288	45 918	49 943
Taxes	715	437	380
Employees expenses	55 559	62 657	71 231
Other operating expenses			
Operating allowances for amortization	3 555	3 888	4 498
<b>TOTAL II</b>	<b>275 150</b>	<b>306 428</b>	<b>359 973</b>
<b>III Operating income ( I - II )</b>	<b>12 141</b>	<b>11 830</b>	<b>17 261</b>
<b>IV Financial revenues</b>			
<b>V Financial expenses</b>			
Interest expense	6 038,9	5 547	6 787
Exchange losses	5,0	-1 334	31 300
<b>TOTAL V</b>	<b>6 044</b>	<b>5 545</b>	<b>6 818</b>
<b>VI Financial income ( IV - V )</b>	<b>-6 044</b>	<b>-5 545</b>	<b>-6 818</b>
<b>VII Current income ( VI + III )</b>	<b>6 097</b>	<b>6 284</b>	<b>10 442</b>
<b>VIII Non current revenues</b>			
Proceeds of disposals of fixed assets	220	45	384
Other non current income	169	181	477
<b>TOTAL VIII</b>	<b>389</b>	<b>226</b>	<b>860,5</b>
<b>IX Non current expenses</b>			
Net book value of disposed assets	851	1	197
Other non current expenses	3,0	3	20
Non current depreciation, amortization and provision expenses			2 100
<b>TOTAL IX</b>	<b>854</b>	<b>4</b>	<b>2 317</b>
<b>X Non current income( VIII - IX )</b>	<b>-465</b>	<b>222</b>	<b>-1 457</b>
<b>XI Income before taxes ( VII + X )</b>	<b>5 632</b>	<b>6 506</b>	<b>8 985</b>
<b>XII Income tax</b>	<b>1 713</b>	<b>1 961</b>	<b>3 398</b>
<b>XIII Net income ( XI - XII )</b>	<b>3 919</b>	<b>4 546</b>	<b>5 587</b>
<b>XIV Total revenues ( I + IV + VIII )</b>	<b>287 680</b>	<b>318 483</b>	<b>378 094</b>
<b>XV Total expenses ( II + V + IX + XII )</b>	<b>283 760</b>	<b>313 938</b>	<b>372 506</b>
<b>XVI Net income ( XIV - XV )</b>	<b>3 919</b>	<b>4 546</b>	<b>5 587</b>

## IV. Risk factors

### I.9.1. Competition risk

At a national level, the real estate development and major infrastructure projects launched by the Moroccan State (construction of highways, water infrastructure, etc.), the absence of barriers to entry and the positive perspectives surrounding the sector, are all factors contributing to attract new operators who seek to win contracts and gain new references, by bidding for markets with low added value and reduced financial offers.

Having over 20 years of experience, Capep disposes of a solid expertise in all its area of activities, and references allowing the company to be differentiated from the competition. Actually, the company is working on projects with high value added and more profitable. These worksites, generally challenging, require a qualified workforce whose available among Capep's human resources.

### I.9.2. Operating risk at worksite level

By the nature of its activity, the company is surrounded by major risks relative to the realization of the work assigned (construction of tunnels, etc.). These risks may affect the work progression (delay on the delivery which can lead to financial penalties against the company), and may also affect the working force (in case of injuries, etc.).

These risks are mastered by the Company. Indeed, Capep guarantees the security of its workforce through the institution of a strict security policy among its permanent experienced staff.

In addition, the supervision of worksites is permanent and extremely detailed in order to avoid delays in the delivery deadline. The Production Direction and the General Direction are the actors responsible of the supervision.

Finally, the company may also experience a delay in the delivery deadline because of the weather conditions. However, during the winter period, the Company secures at best its facilities and protects its worksites from these climatic changes.

### I.9.3. Risk of dependency on individual customers

As a commercial company, Capep could be exposed to counterparty risk, due to its customer portfolio. In fact, the primary customer represents a significant proportion of the company's global revenue.

It appears that in 2011, ONEP contributes by 24% to the global revenue. Moreover, Capep's activity is concentrated around a restricted number of customers (public and private). The five first customers held 66% of the global revenue by the end 2011.

However, the company benefits from historical relationship with a certain number of customers such as ONEP, limiting the potential of a conflict or abuse of dominant position, and facilitating the different daily exchange (claims processing, etc.). In addition, some Capep's major customers presents a limited solvency risk profile since they can be assimilated to a sovereign risk (with a low risk of default).

Finally, despite a relative dependence to a restricted number of customers, this concentration is not reflected in the number of Capep's projects. Indeed, the revenue realized by Capep through ONEP is diluted among different projects assigned, thereby limiting the risk of dependence on a single project.

Aware that the present situation is disadvantageous, Capep seeks to diversify its customer portfolio by increasing its submission to tenders.

#### I.9.4. Risk linked to the nature of customers

Given the nature of its activity, Capep regularly collaborates with public and para-public companies. Thus, through ONEP and different “régies autonomes”, the public sector contributes on average by 73,6% on the global revenue during the last three years. This preponderance of the public sector comes as a result to the investment made to realize different worksites (construction of tunnels, construction of sewage wastewater, etc.) more frequently by the public offices than by the private companies.

However, since the economic context in Morocco is relatively difficult, some operators may differ their investment, leading to a market loss for Capep. Despite the economic uncertainty and the strategic nature of investments (drinking water, sanitation, etc.) and their daily impact on Moroccans life, it is difficult to conceive a report (or cancellation) of the projects that the company is actually working on.

#### I.9.5. Risk of dependency on individual supplier

Suppliers of iron, concrete and aggregates represents in 2011, 36,5% of the company’s total purchases. This preponderance can be explained by the use of these materials to achieve the different projects.

By the end of 2011, the top ten suppliers represents 51,4% of the company’s global purchases, showing a relative concentration. In 2009, it concentrates 51,6% of the company’s total purchases.

The company seeks to diversify its suppliers database by systematizing the recruitment of suppliers (local and regional) facilitating the supplying process at the remote sites. Indeed, each worksite’s provision is provided by a regional supplier, limiting the risk of supply disruption.

#### I.9.6. Risk related to the increase of raw materials prices

These last years show an increase in the raw materials prices (iron, concrete, aggregates, cement, etc.), forcing the company to increase its financial offer relative to the submission to tenders. However, since some markets can last over 12 months and the price of services is fixed at the beginning of the project, a sudden and significant rise in input prices could negatively impact the profitability of the Company. Indeed, the working price being determined on the basis of a reference to input prices, any increase could reduce the margin of the Company.

However, concerning the contracts signed with public operators, in the case of a significant increase in raw materials prices the terms of tariff revision are planned by the General Conditions of Contract. Thus, if such a situation happens, a reevaluation of the service cost can be made by Capep.

#### I.9.7. Risk related to an unavailability of competent human resources

Given the nature of its business, the company needs competent human resources. However, the Moroccan market knows a decrease in the number of engineers and executives. Thereby, Capep is facing the risk of deterioration of its operational staff since its recruitment process may be altered by the unavailability of competent workforce in adequacy with its needs. To manage this risk, the company have been taking several measures, including :

- Adopting a structured approach to assure a transfer of skills between existent employees and new recruits ;
- Anticipation and optimization of recruitment.

Moreover, the Ministry of Education, through different measures, seeks to double the number of engineers trained each year.

Finally, in order to illustrate the company’s working environment where the employees evolve, the workforce is characterized by an important level of expertise and seniority. Indeed, nearly 72% of the permanent workforce has more than 2 years of service in-house. This positive rate comes as a result of the social policy and the working environment established by the management, promoting the stability of workforce.

**1.9.8. Risk of social conflict**

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Since its creation, the company hasn't experienced any social conflict or a strike.

The company respects the Moroccan labor law, and offers attractive remuneration conditions. These factors limit the probability of such a risk to occur.

**WARNING**

The information above only represents a part of the Information Record approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) on August 17<sup>th</sup> 2012 under the reference n° VI/EM/030/2012. The CDVM advises reading the full Information Record available in French.