

## **IFM Anti-Corruption Guidelines**

### **1 OBJECTIVE**

Key factors of IFM's reputation are its ability to conduct its business with loyalty, fairness, transparency, honesty and integrity, as well as compliance with laws, regulations and related requirements, National and International standards, foreign and domestic guidelines, which are being applied to the its *business*.

The scope of these adopted Guidelines is to guarantee a methodical structure for the Anti-Corruption rules and procedures, which IFM has designed and implemented during these years. These Guidelines are aimed at ensuring the full compliance with the Code of Ethics and the Anti-Corruption laws, which qualify as illegal for IFM or their business partners to pay or accept directly or indirectly, bribes or other improper payments for the purpose of obtaining or keeping a business or offering illegitimate favours to third parties related to any IFM business and activities.

For the definition of capitalized terms, see Paragraph 4 - Definitions.

#### **1.1 The Anti-Corruption Laws**

Almost all countries have laws that prohibit bribery of their government officials, and many countries have laws that criminalize bribery of officials from other countries. The United States, Italy and many other countries have laws prohibiting commercial bribery between private individuals.

Since IFM has its registered office in Italy, IFM and its Staff are subject to Italian law and, in particular, to the provisions of Decree 231.

Anti-Corruption Laws:

- 1) prohibit both direct and indirect payments - including payments to anyone who is aware that such payment will be shared with a Public Official or private entity - as well as offers or promises to pay or give anything of value or other benefits to a Public Official or a private subject for corruption purposes. Under the Anti-Corruption laws, IFM and / or IFM personnel can be held liable for a corrupt offer or payment, made by anyone acting on behalf of the company with respect to the IFM *business*, which IFM and / or IFM personnel knew or should reasonably have known that it was illegal.
- 2) require companies to equip themselves and keep books, records and accounting records which, with reasonable detail, accurately and correctly reflect their operations, expenses (even if not "significant" from the accounting point of view) and the assets management.
- 3) inaccuracies in the payments reports (even if they are effected without any corrupting purposes) also are considered violations. False registrations can result in tax and other legal liabilities.

## 2 Consequences of non-compliance with Anti-Corruption provisions

Individuals and legal entities who violate Anti-Corruption laws may incur significant fines and individuals may be sentenced to prison terms or be subjected to other types of sanctions. Such violations may also result in other consequences provided for by law, such as the ban from contracting with public bodies or claims for damages.

The application of Anti-Corruption laws in recent years has become more frequent and the sanctions have become significantly more severe. More importantly, a company's reputation could be seriously damaged.

### 1.3 Support

The content of applicable laws and Anti-Corruption laws may change at any time, therefore it is important to obtain up-to-date legal advice before making any commitment on behalf of IFM.

## 2 APPLICATION

These Guidelines have been examined and approved by the Board of Directors of IFM S.C.p.A. and are mandatory for IFM.

## 3 REFERENCES

- IFM Code of Ethics;
- Model 231 IFM;
- Anti-Corruption laws.

## 4 DEFINITIONS

For the purposes of these Guidelines, the following terms have the meanings indicated below:

**Anti-Corruption Laws** - means the Italian Criminal Code, Decree 231 and other applicable provisions.

**Personnel at Risk** - means every employee of IFM, who

- a) is potentially able to have a relevant contact, as defined below, with a Public Official or a private person, in relation to his / her work activity;
- b) supervises employees or Business Partners who are abstractly possible to have such relevant contact;

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c) is involved in activities related to financial controls or other activities governed by the Anti-Corruption laws;

d) any employee of IFM identified as at risk by a manager belonging to one of the above categories.

**Business Partner** - means any non-employee representative of a company - including consultants, collaborators, freight forwarders including customs and, in some circumstances, tax and accounting consultants - who work for or on behalf of IFM. Service providers who work with the company only internally are not Business Partners for the purposes of these Guidelines.

**Code of Ethics** - means the IFM Code of Ethics.

**Decree 231** - means the Legislative Decree dated 8th June 2001, n. 231, and subsequent amendments and additions.

**IFM personnel** - means the directors, managers, members of corporate bodies, management and employees of IFM.

**Family of the Public Official** - means the spouse of the Public Official; the grandparents, parents, siblings, children, nephews, uncles and first cousins of the Public Official and his spouse; the spouse of any of these subjects; and any other person who shares the home with them.

**Intermediary** - means a natural person or independent company, which IFM intends to keep at its service in order to: (i) promote the commercial interests of IFM and / or a Subsidiary in relation to a single transaction / project; (ii) facilitate the stipulation and / or execution of contracts with third parties; and / or (iii) contact / present IFM 's and / or a Subsidiary to one or more other parties for the purpose of procuring / producing or entertaining a business.

**Joint Venture** - means contracts aimed at setting up joint ventures, consortia, temporary business associations (ATI), associations, collaboration agreements or other entities with or without legal personality, in which IFM has an interest.

**Model 231** - means the Organization, Management and Control Model adopted by IFM S.c.p.A. pursuant to Decree 231 and subsequent amendments and additions.

**Guidelines** - means these Anti-Corruption Guidelines.

**Public Official** - means:

a) anyone who exercises a public legislative, judicial or administrative function;

b) anyone acting in an official capacity in the interest or on behalf of (i) a national, regional or local public administration, (ii) an agency, office or body of the European Union or of a public administration, Italian or foreign, national, regional or local, (iii) a company owned, controlled or participated by an Italian or foreign public administration, (iv) an international public organization, such as the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International Monetary Fund, the World Bank, the United Nations or the World Trade Organization, or (v) a political party, a member of a political party or a candidate for political office, Italian or foreign;

c) any person in charge of a public service, ie those who, for whatever reason, provide a public service, where public service means an activity that is governed in the same forms

in the public function, but characterized by the lack of the typical powers of the latter. The performance of simple orderly tasks and the performance of merely material work are excluded.

**Relevant Contact** - means any direct or indirect contact aimed at:

- a) influence anybody or officer belonging to the legislative, executive, administrative, judicial or other public functions or any political party or public international organization;
- b) any investigation, inspection, control, evaluation, license, permit, registration of the public administration or similar administrative, regulatory or executive action;
- c) any potential or current contract with an administration or other operations or activities, involving an administrative body or a company owned or controlled by an administration, a political party or an international public organization;
- d) costs of attention, training, reimbursement of expenses or gifts in favor of a Public Official;
- e) any other negotiation, agreement or meeting with an administrative body or an international public organization or a Public Official, with the exception of meetings which do not involve the support of any position, if such meetings are with a Public Official acting in his role ministerial, administrative or legal, and for the sole purpose of asking for the interpretation or opinion on the application of rules, the explanation of procedures, to present documents to the administration or legal aspects of a private operation;

**Supervisory Body** - means the Supervisory Body of IFM S.c.p.A., as defined in the Organizational Model of IFM and appointed pursuant to Decree 231.

## 5 POLICY STATEMENT

In line with the Code of Ethics:

(a) IFM prohibits offering, promising, giving, paying, accepting any request for gifts from a Public Official or a private person, or even from a professional consultant or from authorizing anyone to give or pay, directly or indirectly, any sum of money, other utilities, advantages or anything of value to or for a Public Official or private person for corruption purposes:

- "For corrupt purposes" means for any of the following purposes:

- o influence any official action (or omission) of a Public Official or a private person, or any decision, in violation of legal duties, or
- o induce a Public Official or a private person to exercise their influence to influence any administrative act or decision, or
- o securing any improper advantage in connection with the business, or or in any case,
- o in violation of applicable laws.

- This prohibition is not limited to cash payments, and includes, for corruption purposes:

- o freebies
- o costs of attention to third parties, meals and transport.

- or contributions in kind, such as sponsorships
- or commercial activities, jobs or investment opportunities
- or personal discounts or credits
- assistance or support to family members, and
- other advantages or other utilities.

(b) IFM prohibits any payment to anyone, made for corruption purposes, including but not limited to those described above. A person subject to these Guidelines will be deemed "aware" that the payment will benefit a Public Official or a private person or his family or persons indicated by him for corrupt purposes, if he has acted with conscious contempt, or ignoring the warning signs or reasons for suspicion or if you have acted with gross negligence. Compliance with Anti-Corruption Laws and these Guidelines is mandatory for all IFM Personnel and Business Partners:

(i) All IFM dealing with, or relating to, or involving a Public Official or a private person must be conducted in accordance with these Guidelines.

(ii) IFM Personnel is responsible for its own compliance with the above Guidelines and procedures. In particular, managers are responsible for supervising the same compliance by their collaborators and for adopting measures to prevent, discover and report potential violations.

(iii) No questionable practice under any circumstances can be justified or tolerated based on the fact that it is "customary" in the industrial sector. No performance should be imposed or accepted if it can only be achieved by compromising our ethical standards.

(iv) IFM Personnel who violate these Guidelines and / or the Anti-Corruption Laws will be subject to disciplinary measures, up to and including dismissal, and any other legal action necessary to protect the interests of IFM. Business Partners who violate these Guidelines and / or the Anti-Corruption Laws will be subjected to contractual remedies, up to the termination of the contract, the prohibition from having business transactions with IFM and claims for damages.

(v) None of IFM Personnel will be demoted, sanctioned or subjected to any other detrimental consequence for refusing to make a prohibited payment, even if such refusal gave rise to the loss of a business or other detrimental consequence to the business.

## **5.1 Reasonable and bona fide expenses in favor of Public Officials**

IFM allows reasonable and bona fide expenses to be made in favor of Public Officials or private entities as set out in these Guidelines. A "reasonable and bona fide expense" is an expense, such as for transport and accommodation, which is directly linked to:

- (i) promotion, demonstration or illustration of products or services;
- (ii) execution or fulfillment of a contract with a public administration or administrative body.

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(iii) distribution of gadgets and / or similar products offered on the occasion of anniversaries and / or holidays to more than one person.

Any reasonable and good faith expenditure must have all of the following characteristics.

Needs to:

- a) not consist of a cash payment;
- b) be carried out in relation to bona fide and legitimate business purposes;
- c) not be motivated by the desire to exercise illicit influence or by the expectation of reciprocity;
- d) be reasonable under the circumstances;
- e) be in good taste and conform to generally accepted standards of professional courtesy
- f) comply with local laws and regulations.
- g) have a value that cannot be interpreted as a possible source of corruption

Reasonable and bona fide expenses must be accurately and transparently recorded in the company's financial information in sufficient detail and supported by reference documentation.

## **5.2 Political Contributions**

Political contributions present the risk of being able to generate liability in anti-corruption matters: as such they are prohibited.

IFM therefore does not allow any direct or indirect contribution in whatever form to political parties, movements, committees, political organizations and trade unions nor to their representatives, candidates and family members.

## **5.3 Charitable Contributions / Donations**

Donations to charities, entities and administrative bodies have the risk that funds or assets of value could be diverted to a Public Official or to a private entity for personal use or benefit.

Even if a Public Official or private person does not receive an economic advantage, an otherwise legitimate charitable contribution made in exchange for obtaining or maintaining a business or to secure an illegal advantage is an illegal payment under the Anti-Laws. -Corruption.

All contributions and donations must meet the following minimum standards:

- a) all contributions will be paid in accordance with the budget;
- b) contributions will be made only in favour of non-recently established, well-known, reliable entities with an excellent reputation for honesty and fair business practices;
- c) the beneficiary entity must demonstrate that it has all the certifications and that it has met all the requirements to operate in accordance with applicable laws;

Payments to the beneficiary entity must be made exclusively to the account registered in the name of the beneficiary entity or by non-transferable check; it is not allowed to make payments on encrypted or cash accounts, or to a person other than the beneficiary entity or in a third country other than the country of the beneficiary entity;

e) contributions must be truthfully and transparently recorded in the company's books and records.

Donations of equipment and assets of the company of zero or negligible value, in favor of entities, provided that they meet the minimum standards indicated above are excluded from this procedure.

## 5.4 Sponsorship activities

Sponsorship activities can also raise anti-corruption issues. All sponsorship activities over 5,000 Euros must be included in the approved annual budget and then individually approved by the Board of Directors. Sponsorship activities must comply with the following minimum standards:

a) all sponsorship activities will be carried out in accordance with the approved budget;

b) the partners in sponsorship agreements will only be well-known and trustworthy entities or individuals;

c) in case of a company, the partner in a sponsorship contract must demonstrate that they have all the certifications and met all the necessary requirements to operate in compliance with applicable laws;

e) the sponsorship agreement will be drawn up in writing and will contain:

(i) the counterparty's declaration that the amount paid will be used exclusively as consideration for the performance of the counterpart and that these amounts of money will be never transmitted to a Public Official for corruption purposes.

(ii) the currency and the amount paid under the sponsorship agreement;

(iii) the billing terms (or payment methods) and payment conditions, taking into account that such payments can only be made in favour of the counterparty and in the country of incorporation of the counterparty, exclusively on the registered account of the counterparty, as indicated in the contract, and never on numbered or cash accounts;

(iv) the counterparty's commitment to comply with applicable laws, Anti-Corruption Laws and the applicable provisions of the related sponsorship contract procedure, and to record the amount received in its books and records in a correct and transparent way;

f) the amount paid in accordance with the sponsorship agreement must be recorded in the books and records in a correct and transparent manner;

## 5.5 Personnel selection

Before hiring / appointing, transferring or promoting any new employee (s) who is likely to have relevant contact with a Public Official in relation to his employment, (ii) who supervises employees or Business



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Partners who are likely to have such a contact, or (iii) who will be involved in financial controls or other activities governed by Anti-Corruption Laws, IFM must inquire about relevant personal experiences of the subject to the extent permitted by applicable law.

The selection of personnel must at least include checks on references and include adequate questions in the requests for employment, concerning (a) any criminal record or imputation of the subject and (b) any civil or administrative sanctions or ongoing investigation refer to unethical or illegal activities of the subject, in accordance with and to the extent permitted by applicable laws and (c) his personal relationships with Public Officials.

## **5.6 Accounting Procedures**

Applicable laws, laws and regulations on financial reporting and tax laws require IFM maintains a detailed and complete accounting records system of each business transaction. IFM books records and accounts shall comply with applicable accounting principles and transparently and fairly reflect each transaction and disposition of the Company assets. The accounting system must reflect IFM financial situation in a complete and transparent way, all revenues/expenditures, expenses, receipts and payment reports shall be promptly recorded in the financial information and supported by the relevant detailed documentation, issued in conformity with all applicable laws and the related provisions of the internal control system. All Company books, records and related documentation must be at disposal of the auditors during periodical accounting controls.

All Company transactions must be accurately recorded in the general accounting system, so that books and records accurately and reasonably reflect such transactions and dispositions of IFM's assets. This principle applies to all transactions and expenses, whether they are significant or not from an accounting point of view.

## **5.6 BUSINESS PARTNER**

IFM requires all its Business Partners to comply with all applicable laws, including the Anti-Corruption Laws, in relation to IFM's business.

## **6 ACCOUNTING AND CONTROLS**

According to IFM policy all payments and business transactions must be accurately recorded in the relevant Company books and records, so that IFM's books, records and accounts accurately and correctly reflect all Company operations with reasonable detail. This principle applies to all transactions and expenses, either they are significant or not from the accounting point of view.



IFM establish and carry out adequate accounting controls in order to provide reasonable guarantees that:

- a) the operations are carried out only against a general or specific management authorization;
- b) the transactions are recorded as necessary to:
  - (i) permit the preparation of financial statements in accordance with generally accepted accounting principles or any other criteria applicable to such financial statements; and (ii) maintaining the accounts of all company assets;
- c) access to the assets is permitted only with a general or specific authorization from the management;
- d) the value of the assets entered in the financial statements is compared with the assets actually existing, with a reasonable periodicity, and appropriate measures are taken with reference to any discrepancies.

IFM maintains a system of internal controls in relation to financial information, to provide reasonable guarantees regarding the reliability of the financial statements and the preparation of the external financial statements, in accordance with generally accepted accounting principles, including those rules and procedures that:

- 1) concern the regular keeping of records, so that they reflect in detail the transactions and dispositions of the issuer's assets and with accurate and proper criteria.
- 2) provide reasonable assurance that the transactions are recorded in such a way as to allow the preparation of the financial statements in accordance with generally accepted accounting principles, and that the issuer's income and expenses are carried out only in accordance with the relevant authorizations;
- 3) provide a reasonable guarantee that any unauthorized acquisitions, use or disposal of the issuer's assets that could have a significant impact on the financial statements, are prevented or promptly discovered.

The reasonable assurance that the system is aimed at reducing to a low (remote) level the risk that inaccurate amounts, caused by error or fraud, and significant in relation to the annual financial statements or interim disclosures may occur and not promptly discover.

The internal control system related to financial information provides for specific controls and widespread controls, as defined below, on the different organizational levels.

Specific checks are performed during the normal course of operations to prevent, identify and correct errors and fraud. Typically, these include: checks on the documentation of accounting records, the issuing of authorizations, comparisons between internal and external information, consistency checks, etc.

The main types of pervasive controls concern:

- distribution of power and tasks to different levels, in line with the degrees of responsibility required, particularly referred to the key tasks and their assignment to related qualified employees.
- identification and segregation of inconsistent activities. This type of control concerns the separation between people who carry out the activities, those who control them and those who authorize them. The segregation of duties (which sometimes requires the separation of functions) can be implemented not only through organizational tools, but also by defining the access profiles to systems and data in accordance with the pre-established roles;

## **7 TRAINING OF IFM STAFF**

IFM employees must be informed and trained about the applicable Anti-Corruption laws and on the importance of compliance with these laws and Guidelines.

employees at risk are required to carry out a mandatory anti-corruption training program, for this purpose:

- employees at risk will receive a copy of these Guidelines and training on these Guidelines and related Anti-Corruption Laws

- employees at Risk must receive periodic refresher training:

\_ Each of the employees at risk will be responsible for updating.

\_ Each manager is responsible for ensuring that all at risk employees under his supervision periodically complete the training.

- The management is responsible for providing the training (also carried out online), collecting the registrations of the participations, the names and functions of the participants, the results of the self-assessment, copies of the training material and the date of the training.

All records will be filed in compliance with applicable labor, privacy and other laws.

## **8 REPORTING SYSTEM**

### **8.1 System for reporting requests by a Public Official**

Any direct or indirect request by a Public Official for payments, gifts, travel, meals or expenses for attention, employment, investment opportunities, personal discounts or other personal benefits other than reasonable and good faith expenses in favor of the Public Official or of a relative or a person indicated by him, must be immediately communicated to the line manager (and to the Supervisory Body) by the IFM personnel who received this request.

The line manager will be responsible for instructing IFM employees on the most appropriate way to proceed, in compliance with the Anti-Corruption laws and these Guidelines. For this purpose, the line manager must refer to the Direction and the Supervisory Body.

### **8.2 Violation reporting system**

Any suspected or known violation of the Anti-Corruption laws or these Guidelines must be reported immediately in one or more of the following ways:

- to the employee's line manager;
- to the Supervisory Body, according to the Model 231

IFM will not dismiss, downgrade, suspend, threaten, harass or discriminate in any way during the employment any of IFM employees, because he/she has lawfully carried out any action related to the reporting activity in good faith of matters concerning the compliance with these Guidelines and / or the Anti-Corruption laws.

## **9 DISCIPLINARY AND CONTRACTUAL ACTIONS**

IFM will make every reasonable effort to prevent any behaviour that violates the Anti-Corruption Laws and / or these Guidelines, and to stop and sanction any contrary behaviour by IFM employees.

IFM will take appropriate disciplinary actions against anybody of the employees (i) whose actions are found to violate the Anti-Corruption laws or these Guidelines, in accordance with the provisions of Model 231 and the collective employment contract or other applicable national regulations. , (ii) failing to participate in or completing adequate training, and / or (iii) unreasonably failing to discover or report such violations or retaliating against others who report any violations. Disciplinary actions may include the immediate termination of the employment relationship.

IFM will take appropriate actions, including but not limited to the termination of the employment contract and the claim for damages against Business Partners whose actions are found in violation of the Anti-Corruption laws or these Guidelines. Contracts entered into by IFM with Business Partners will include specific provisions to ensure compliance with the Anti-Corruption laws and these Guidelines and to enable IFM to take appropriate actions.

## **10 CONTROLS, MONITORING AND IMPROVEMENTS**

IFM, through the Compliance Department, will carry out audits also related to the issue of anti-corruption, also making use of any external consultants.

Furthermore, the Supervisory Body of IFM will independently execute investigation programmes in order to verify the requirements of these guidelines are respected.

## **11 ENTRY INTO FORCE**

These Guidelines come into force on January 1, 2021 (update # 1).