



ANTI-CORRUPTION COMPLIANCE POLICY

Cod. PO.06.21

Rev. 0

Data:04.09.2020

Following the introduction of the Bribery Act in 2011, GATTO GROUP has strengthened its anticorruption processes and continues to keep them under review. This is done not only to comply with the anti-bribery laws but also to protect our reputation and to uphold our commitment to carrying out business fairly, honestly and openly, in accordance with the highest ethical standards.

In addition, corruption exposes GATTO GROUP, our employees and others acting on our behalf to the risk of prosecution, fines, exclusion from tendering for business and other penalties. It is contrary to everything that we and our brand stand for.

We have a strict zero tolerance policy towards bribery and corruption. This principle has been unanimously approved by the Board.

Working together we must ensure that GATTO GROUP's reputation continues to remain strong. Please take the time to read this updated policy, and the associated guidance, carefully to ensure you understand your role and obligations in these important matters.

1. Introduction

The UK Bribery Act came into force on 1st July 2011. GATTO GROUP has always maintained a robust stance against bribery – after all, acting with integrity is the most important attribute we have. This communication is relevant to all GATTO GROUP employees, and any third parties who perform services for us on our behalf. All employees and third parties who perform services for us have a duty to understand and comply with our policies on bribery, and to sign our Code of Ethics. Further details are given in our Code of Ethics, found on the intranet.

This paper contains a summary of this recent legislation and some practical guidance on how to ensure we continue to behave in a manner that complies with the letter and spirit of the law.

2. The UK Bribery Act and other bribery legislation

There are already local and international laws that forbid bribery. However, the UK Bribery Act is amongst the most stringent of all existing laws.

The Act includes four separate offences:

- a) Bribing another person or business;
 - b) Receiving a bribe;
 - c) Bribery of a foreign government official;
- and
- d) Failure of a commercial organization to prevent bribery.



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Bribery is widely defined as the offering, giving or receiving of a financial or some other benefit in exchange for improper advantage.

Examples include:

- bribery to secure or keep a contract.
- bribery to secure an order.
- bribes taken to use a particular supplier.
- bribery to gain any advantage over a competitor.
- bribery of a local, national or foreign official to secure a contract.

There are severe fines for both individuals and GATTO GROUP for breaches in the law.

The UK authorities have jurisdiction over GATTO GROUP's operations globally, in relation to the offering, giving and receiving of bribes, whether by GATTO GROUP staff or by third parties acting on behalf of GATTO GROUP. A bribe may be in the form of cash, or by the provision of some other inappropriate advantage.

3. Practical guidance on some key areas

Guidance is provided on:

1. Gifts, Hospitality & Entertaining
2. Facilitation payments
3. External relationships including intermediaries and joint venture partners

Gifts, Hospitality and Entertaining

This includes:

- Giving small gifts to existing customers and receiving gifts
- Taking existing or potential customers for meals
- Inviting customers to go with you to sporting events
- Paying for customers to visit GATTO GROUP operational sites
- Customer events such as inviting customers to weekends at hotels.

The key message here is one of common sense. Gifts, Hospitality and Entertaining can take place, but should be to foster good relationships in general and never to make the customer feel obliged to give GATTO GROUP work.



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The following extract from the UK Government guidance on the Act is helpful:

“The Government does not intend that genuine hospitality or similar business expenditure that is reasonable and proportionate be caught by the Act, so you can continue to provide bona fide hospitality, promotional or other business expenditure.

As a general proposition, hospitality or promotional expenditure which is proportionate and reasonable given the sort of business you do is very unlikely to engage the Act. So you can continue to provide tickets to sporting events, take clients to dinner, offer gifts to clients as a reflection of your good relations, or pay for reasonable travel expenses in order to demonstrate your goods or services to clients if that is reasonable and proportionate for your business.

Any hospitality should reflect a desire to cement good relations and show appreciation, and promotional expenditure should seek to improve the image of the company as a commercial organization, to better present its products or services, or establish cordial relations.

The recipient of the hospitality or entertaining should not be given the impression that they are under an obligation to confer any business advantage or that their independence will be affected.

For hospitality expenditure over certain limits, approval by an appropriately senior level of management may be a relevant consideration.”

Facilitation payments

Facilitation payments are small sums paid to government officials personally in order to facilitate them performing a task that is a routine part of their job.

Typical examples include:

- Obtaining customs clearance for goods
- Immigration services while travelling
- Crossing borders
- Obtaining work permits
- Receiving security or police protection
- Obtaining vehicle registration

These are prohibited by UK law and our policy is that we should never pay them.

Where an GATTO GROUP employee, or person acting on behalf of GATTO GROUP, is requested to make such a payment, then they should follow the guidance below:

- Question the legitimacy of the demands
- Request identification details of the official making the demand
- Ask to consult with superior officials
- Inform those demanding payments that compliance with the demand may mean that the company will commit an offence under UK law



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- Refuse to make the payment

If the demands for payment persist after following the steps above, and the GATTO GROUP employee, or person acting on behalf of GATTO GROUP, is in receipt of threatening behaviour and fears for their health or wellbeing, then payment may be made as a last resort.

External relationships including intermediaries and joint venture partners

Where GATTO GROUP uses intermediaries or joint venture partners to assist with business, then the following must be performed:

- The contract with the intermediary / joint venture partner should where possible include the following items:
 - o explicitly forbid bribery
 - o include the right for us to appoint an external auditor to ensure the intermediary / joint venture partner has controls to prevent bribery
 - o clearly define the scope of work and deliverables
- Background checks (including media checks to highlight any previous unethical behaviour) must be performed before entering the business relationship
- Due diligence interviews should be performed before entering the business relationship
- Intermediaries and joint venture partners should provide monthly reports of work they have undertaken
- Intermediaries and joint venture partners should be trained in our ethical policies

Scope: This Policy applies to GATTO GROUP and its subsidiaries (collectively the “Company”) and the directors, officers and employees of such entities as well as those acting for or on behalf of such entities (collectively, “Covered Persons”).

Purpose: This Policy assigns responsibilities and establishes procedures designed to ensure full compliance with applicable anti-corruption legislation and regulations worldwide (“anti-corruption laws”).

GATTO GROUP’s good reputation for integrity and honesty, which has been built over many years, is essential to GATTO GROUP’s competitiveness in the marketplace. Improper payments, gifts, discounts, and inducements to government officials or other third parties (and/or inaccurate recording of such items in the Company’s books and records) not only violate anti-corruption laws and GATTO GROUP’s policies, they jeopardize GATTO GROUP’s reputation.

Definitions:

1. **“Government Official”** shall mean any officer or employee of any public international organization (e.g., the United Nations, the World Trade Organization) or a government or any government department, agency, or instrumentality (which includes a state-owned commercial enterprise) or any person acting in an official capacity for, or on behalf of, any such government or department, agency, or instrumentality, including a government’s consultants or any entities subject to government procurement regulations. “Government Official” also includes a political party, party official or candidate for office.



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2. **“Payment or Gift”** shall mean the offer, gift, reward, inducement, payment, promise to give, or authorization to give money or anything else of value.

Policy:

1. It is GATTO GROUP’s policy to comply fully with all applicable anti-corruption laws. Accordingly, except as expressly permitted by this Policy, GATTO GROUP will not authorize, and all GATTO GROUP Representatives and Commercial Intermediaries (including their partners, shareholders, officers, directors, employees and managers) are expressly prohibited from offering or making any Payment or Gift to a Government Official or other third party, where the offer or making of the Payment or Gift may assist GATTO GROUP to obtain, retain, or direct business by:

A. Influencing any act or decision of a Government Official or other third party;

B. Inducing a Government Official or other third party to do, or omit to do, any act in violation of the lawful duty of such Government Official or other third party;

C. Inducing a Government Official or other third party to use influence with a government or instrumentality to affect or influence any of its acts or decisions; or

D. Securing an improper advantage from a Government Official or other third party.

2. GATTO GROUP shall, as required by law, make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of its assets.

3. Responsibilities:

A. The GATTO GROUP Ethics Committee ("Committee") is responsible for implementing this Policy and any related policy or procedure deemed necessary to fulfill the purpose of this Policy. In such capacity, any member of the Committee and his/her delegates have authority to review any proposed transactions or payments for purposes of ensuring compliance with these policies and procedures. Any decision by the Committee, a Committee member, or Committee designee with respect to the interpretation or implementation of this Policy is final.

B. It is the responsibility of every GATTO GROUP manager to ensure that employees are aware of this Policy and that this Policy is enforced in operations within the manager's area of responsibility.



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C. It is the responsibility of all GATTO GROUP Representatives and all others to whom this Policy may apply to report any possible violation of this Policy.

4. Recordkeeping:

Records for Authorized Payments.

For all expenditures made to or on behalf of Government Officials or other third parties, the Business Unit on whose behalf the expenditure is made is responsible for verifying the appropriateness of the expenditure, as well as maintaining adequate and accurate records that document the factual basis for the request and written evidence of required approvals.

5. Reporting Violations:

A. Any employee or other person to whom this Policy may apply, who has knowledge of facts or incidents which he or she believes may violate this Policy, should report the matter promptly to compliance@gatto.it.

GATTO GROUP strictly prohibits any type of retaliation against any employee who, in good faith, reports a matter.

6. Fines and Penalties:

A. Employees violating this Policy will be subject to disciplinary action, up to and including possible dismissal. In addition, individuals and companies violating anti-corruption laws are subject to significant fines and penalties.

7. Conclusion

Our Mission Statement clearly declares that we act with integrity and honesty, filling our customers with confidence. But our Mission Statement is not just a piece of paper. We must always ensure that we live out those values every day. We never bribe. We never accept bribes.

Please make sure all your staff are aware of these rules.

Signed by: General Manager Cristian Paravano

Date of issue : 04th Sept, 2020