



**FERRARI N.V.**

**ANTICORRUPTION**

**COMPLIANCE PRACTICE**



## 1. SCOPE AND OBJECTIVES

Ferrari Group (*i.e.* Ferrari N.V., Ferrari S.p.A. and their branches, subsidiaries and controlled Joint Ventures) is subject to anti-corruption laws of all the countries in which it operates, including those laws ratifying international conventions, such as Italian Legislative Decree 231/2001, United States Foreign Corrupt Practices Act, United Kingdom Bribery Act, United Nations Convention against Corruption and the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions ("**Anti-Corruption Laws**").

Countries that have established laws prohibiting corruption have recently been increasing, criminalizing corruption of **their own** Public Officials and corruption of Public Officials of **other countries** by entities in their jurisdiction, further to bribery **among private parties**.

**"Public Official"** means: a person holding a legislative, administrative or judicial office, whether by appointment, election or succession, or any person exercising a public function, including a public agency or public enterprise, or any official or agent of a public domestic or international organization, or any candidate for public office. Public Officials may include, by way of example: European Organizations Officials; Italian or Foreign Government, Regional and Municipal Officials; Mayors; Chamber of Commerce Officials; Police Officials; Members of Judicial and Independent Administrative Authorities (e.g. Italian CONSOB and Privacy Authority); Members of Local Health and Environmental Authorities (e.g. Italian ASL and ARPA); Vehicles Certification and Homologation Authorities; Tax and Revenues Authorities; Customs Officers; FIA Officials, etc.

In most jurisdictions, it is an offence for individuals to engage in bribery and there is a growing trend to make organizations, as well as individuals, liable for bribery. Enforcement of Anti-Corruption Laws has become more intense and the penalties (civil and criminal) significantly more severe. Physical persons who violate Anti-Corruption Laws may be sentenced to imprisonment or suffer other penalties while legal entities can be subject to many kind of sanctions: considerable fines, independent compliance monitor, debarment from contracting with public entities, confiscation of profit or claims for damages and - even more importantly- adverse reputational consequences.

In light of the above, this anticorruption practice ("**Practice**") is inspired by the values and principles described in Ferrari Code of Conduct and provides to all Ferrari Group directors, officers and employees, together with all those who work, in Italy and abroad, for or on behalf of Ferrari - including consultants, so called "atypical workers" (*e.g.* temporary supply contract and staff leasing workers), trainees, scholarship holders, agents, suppliers and business partners - the general rules of conduct that must be followed in order to ensure compliance with Anti-Corruption Laws.



In order to reach all the above mentioned addressees, this Practice will be adequately circulated, publicized and disseminated by Ferrari both internally and externally, also through its inclusion in the relevant contractual agreements and arrangements.

This Practice has been adopted on May, 29th 2020 by Ferrari N.V. (the "Company") through approval by the Senior Management Team and - as it applies to **all Ferrari Group** - shall be considered as the document of reference for anti-corruption matters by all worldwide Ferrari branches and subsidiaries and applied in each Country in accordance with local legislation.

In case of any doubt regarding the Anti-Corruption Laws and/or this Practice, you can refer to the **Group Compliance Function** (both in person or by email at GroupCompliance@ferrari.com) that is entrusted to oversee the design and implementation of this Practice, to provide advice and guidance to personnel on Anti-Corruption Laws and issues relating to bribery and corruption, monitoring the related risk and providing support in training activities. Group Compliance Function provides to Ferrari top management (i) any information or update on specific anti-bribery and anti-corruption topics and (ii) an annual report on its activities, that may be submitted also to Ferrari control bodies such as the ICC "*Internal Control Committee*" and the Watch Structure of Ferrari S.p.A. (so called "*Organismo di Vigilanza*").

**Ferrari top management**, with the aim of ensuring the right level of attention and importance of the anti-bribery and anti-corruption topic to employees, plays a strategic role in the full implementation of this Practice, exercising reasonable oversight with respect to its adequacy and effectiveness and ensuring the involvement of all employees and the consistency of their behaviors with the values contained in it (so called "**Tone from the Top**" / "**Tone at the Top**").

## 2. ANTICORRUPTION COMPLIANCE STATEMENTS

According to Ferrari Code of Conduct (the "Code"), "*Ferrari Group is committed to the highest standards of integrity, honesty and fairness in all internal and external affairs and does not tolerate any kind of bribery*".

In particular, **no one** – Ferrari Group director, officer, employee, consultant, so called "atypical worker" (e.g. temporary supply contract worker, staff leasing worker etc.), trainee, scholarship holder, agent, supplier or business partner – shall at any time, directly or indirectly, give, offer, request, promise, authorize, solicit or accept bribes, kickbacks, payoffs, or other improper payments or transfers of Anything of Value to any **Public Official** (both of their and foreign countries) in direct or indirect connection with their work for and



roles in Ferrari Group with the intention to influence the official in the performance of his or her official functions and thereby secure a direct or indirect business advantage.

"*Anything of value*" includes, by way of example: cash, cash equivalents (such as gift vouchers and gift cards), loans, vehicle discounts, free vehicles, offers of employment or education, club memberships, as well as gifts, business hospitality (meals and entertainment), and travel that do not comply with the requirements of this Practice.

Ferrari Group also prohibits bribery in the context of **private transactions** (*i.e.*, transactions not involving Public Officials). Therefore, no Ferrari Group director, officer, employee, consultant, so called "atypical worker" (*e.g.* temporary supply contract worker, staff leasing worker etc), trainee, scholarship holder, agent, supplier or business partner may, directly or indirectly:

- **give**, offer, promise, or authorize bribes, kickbacks, payoffs, or other improper payments or transfers of anything of value to individuals, employees, representatives, or agents acting on behalf of commercial (*i.e.*, non-government) customers or counterparties for the purpose of obtaining or retaining business or securing any improper advantage or benefit in return;
- agree to **receive**, or accept kickbacks, payoffs, or other improper payments or transfers of anything of value in direct or indirect connection with Ferrari Group business.

By way of example, it is explicitly forbidden to give or promise to give money, a supply contract, a car, a F1 car or a show car (or even to apply special conditions for those vehicles), F1 tickets or events participation, in exchange or return of any improper advantage, benefit or anything of value.

### **3. RULES OF CONDUCT AND CONTROLS**

In order to respect and implement the principles and statements above, the following paragraphs outline, with reference to some specific areas considered at high risk under an anticorruption perspective, the rules/actions/controls that must be carried out by all Ferrari Group directors, officers and employees, together with all those who work, in Italy and abroad, for or on behalf of Ferrari - including consultant, so called "atypical worker" (*e.g.* temporary supply contract worker, staff leasing worker etc.), trainee, scholarship holder, agents, suppliers and business partners - in order to **prevent corruption-related crimes** and be in line with Anti-Corruption Laws.



### 3.1. Dealings with Public Officials

In all their relations with Public Officials, including lobbying activities, Ferrari Group employees must refrain from all acts or omissions that might represent even a mere attempt to corrupt them: favours, collusive behavior, direct solicitation and/or through third parties, to obtain direct or indirect advantages for Ferrari Group, or even for themselves, is **strictly forbidden**. These relations must be based on the correctness, transparency and traceability of the behaviors and are exclusively reserved for the competent positions.

The Ferrari Group employees that have been authorized to deal with Public Officials must keep records of all the relevant relationships (*e.g.* written reports of meetings with Public Officials; said meetings shall be held by at least two people coming, where possible, from different units; full traceability must be kept of entertainment expenses, gifts, compensation for services performed by the Public Administration, etc.).

Any gift to Public Official shall be made in compliance with Ferrari gift internal procedure: in particular, as further detailed in this Practice - to the extent permitted by Anti-Corruption Laws and approved in accordance with the relevant Ferrari internal procedure(s) - any gift, hospitality or gratuity made to representatives of any government or public institution shall be modest and proportionate to the legitimate business purpose and must not give any appearance that the Ferrari Group or any of its employees is obtaining or seeking to obtain an unfair advantage.

All the above-mentioned principles of correctness, transparency and traceability of the behaviors shall apply also during relations with so called Relevant Private Entities (*i.e.* companies, associations and other private entities that perform professional/institutional activities whose execution is of interest to, or can cause an advantage for Ferrari Group, such as: rating agencies, certification agencies, press agencies, etc.).

### 3.2. Facilitation and Extortion Payments

Ferrari Group explicitly prohibits **Facilitation Payments** or "grease payments" - *i.e.* illegal or unofficial payment made in return for services that the payer is legally entitled to receive without making such payment. It is normally a relatively minor payment made to a Public Official or person with a certifying function in order to secure or expedite the performance of a routine or necessary action, such as preparation of governmental documents like the issuing of a visa, work permit, licenses, customs clearance or installation of a telephone.

If a facilitation payment is requested or demanded, a direct and immediate notification must be given to the Group Compliance Function (both in person or by email at



GroupCompliance@ferrari.com) or through the Ferrari Whistleblowing channels listed in the relevant internal procedure: once requested and demanded, it must be asked for proof that the payment is legitimate and an official receipt for payment and, if no satisfactory proof is available, it must be refused to make the payment.

**Extortion Payments** are intended, for the purpose of this Practice, as payments made to a Public Official that are necessary to ensure the health or safety of Ferrari Group directors, officers and employees and all those who work, in Italy and abroad, for or on behalf of Ferrari.

For the avoidance of doubt, threats of purely economic harm are not extortion.

Extortion payments must be authorized by the Group Compliance Function; if it is not possible to report the demand and seek approval, the payment shall be promptly notified through a report indicating the date, place and amount paid and the description of the objective circumstances of serious and imminent violence, or threat, in which the payment was made. Extortion payments must be accurately recorded in Ferrari Group books and records.

### **3.3. Suppliers and third parties acting on behalf of Ferrari Group**

It is not allowed to do indirectly what it is prohibited to do directly.

Ferrari Group may be held liable for corrupt activities committed by suppliers and third parties that act on its behalf, such as intermediaries, custom brokers, freight forwarders, sales agents and dealers, consultants retained to secure licenses or permits or other authorizations, or other representatives and lobbyists. Third parties, therefore, may not give, offer, request, promise, authorize, or accept bribes or make any payments **on Ferrari Group's behalf** that violate this Practice.

As detailed in the relevant Ferrari internal procedure(s), said third parties, prior of the engagement, must be subject to proper background checks (including financial, corporate and related parties checks) and to an **analysis on anticorruption aspects** aimed at identifying on said counterparty the existence of potential criticalities (so called "anticorruption red flags", such as by way of example: presence on PEP Lists or involvement in criminal proceeding related to corruption crimes) and at ascertaining, *inter alia*, that said parties may have already adopted and implemented anticorruption procedures or standards in line with this Practice. Furthermore, the relevant agreement must be in writing and contain appropriate **anti-corruption clauses** including (i) the commitment to adhere to the principles outlined both in the Code and in this Practice and (ii) compensation and termination measures.



### 3.4. Joint Ventures

Ferrari Group could be held responsible for corruption activities carried out by its partners in Joint Ventures and/or by a Joint Ventures itself in which Ferrari is partner.

“Joint Venture” means: any associations, organizations, consortia, temporary associations of companies and any other kind of entity, with or without legal status, in which Ferrari holds an interest together with other third parties, with the aim of jointly pursuing a specific business interest/project.

As detailed in the relevant Ferrari internal procedure(s), before Ferrari Group forms or enters into a new Joint Venture - or in the case of entry of a new partner in an existing Joint Venture participated by Ferrari - an **analysis on anticorruption aspects** (see par. 3.3 for further details) must be conducted on the potential partner(s).

Furthermore, the relevant agreements have to include appropriate **anti-corruption clauses** including (i) the commitment to adhere to the principles outlined both in the Code and in this Practice and (ii) compensation and termination measures.

In case of Joint Venture controlled by Ferrari Group, it shall be ensured that, in conducting its business, it adheres to this Practice. In case of Joint Venture in which Ferrari Group is not the controlling partner, Ferrari shall use its best efforts and must take steps to ensure that the Joint Venture operates in compliance with the principles outlined in this Practice and with the Anti-Corruption Laws.

### 3.5. Mergers, Acquisitions and Disposals

Anti-Corruption Laws foresee that a company can be considered liable not only for its illegal business, but also in case the illegal business is undertaken by a target company or an incorporated company following a merger which took place before the acquisition or merger is concluded.

As detailed in the relevant Ferrari internal procedure(s), Ferrari Group, prior to the conclusion of any merger and acquisition transaction, will therefore conduct an **analysis on anticorruption aspects** (see par. 3.3 for further details) both referring to the potential *seller* and to the *acquisition target*, ensuring that the final agreements include appropriate **anti-corruption representations and warranties**.

In case of disposal, Ferrari Group shall duly evaluate the anti-corruption compliance information and the anti-corruption contractual guarantees that the potential counterparties may request.



### 3.6. Sponsorships, Non-profit and Charitable Donations

Ferrari Group prohibits payments intended to influence - or that could reasonably be perceived to influence - a commercial relationship or other decision in favour of Ferrari. In this respect, sponsorships (both active and passive, and the related intermediaries), promotional activities, social projects, non-profit initiatives and political and charitable donations, may present the risk of funds or assets of value being improperly diverted to that end and for the personal use or benefit of both a Public Official and/or a private party.

In light of the above, as detailed in the relevant Ferrari internal procedure(s), before making this kind of operations, Ferrari Group must undertake **internal controls** and **analysis on anticorruption aspects** (see par. 3.3 for further details) both on the operation itself and on the counterparty in order to determine whether they are properly approved and internally authorized, legitimate and do not entail potential conflict of interest or violation of Anti-Corruption Laws or this Practice.

Furthermore, the sponsorship agreement (both active and passive) must be in writing and contain appropriate **anti-corruption clauses** including (i) the commitment to adhere to the principles outlined both in the Code and in this Practice and (ii) compensation and termination measures.

### 3.7. Gifts and hospitalities

Gifts and hospitalities may be misinterpreted to be for the purpose of bribery and can be either made or received in the context of a **commercial courtesy**, if they do not compromise the integrity and/or reputation of either party and cannot be perceived by an impartial observer as aimed at creating an indebtedness or obtaining undue or unfair advantages.

As detailed in the relevant Ferrari internal procedure(s), gifts and hospitalities, made or received by Ferrari Group personnel: must be in all circumstances **reasonable and commensurate** with generally accepted standards of professional courtesy; have to be provided in connection with a **bona fide** and legitimate business purpose; must **not be a cash** payment; shall respect specific "thresholds" and need to be recorded and supported by relevant documentation. All Ferrari directors, officers and employees shall comply at any time with the gift internal procedure and the "thresholds" indicated therein.

### 3.8. Selection of Personnel

Ferrari Group HR recruitment and selection process must comply with principles of non-discrimination, impartiality, autonomy and independent judgement, which are intended to guarantee that the final decision regards the individuals most qualified to hold the position



in question and includes an offer that is proportionate to the candidates' qualification and competitive on the reference market.

No direct or indirect benefit or advantage (whether financial or not financial) shall be obtained in any recruitment process by any directors, officers and employees of Ferrari including but not limited to the HR Department and/or relevant managerial functions.

In accordance with, and as permitted by applicable local laws, before Ferrari Group appoints any employees, proper **candidates' analysis** shall be carried out, depending on the role of the candidate, including controls on (i) previous professional experience (ii) suitability for the role (iii) presence of any conflicts of interest (iv) relations with Public Officials or private entities working for Ferrari Group and/or with any related party (v) any criminal records relating to the professional ethical attitude of the candidate.

### **3.9. Book keeping**

Ferrari Group is required by any applicable laws (e.g. Italian, US, Dutch Laws) to keep books, records and accounts that report financial information accurately and honestly.

As underlined in Ferrari Code of Conduct and detailed in the relevant Ferrari internal procedure(s), the Group's record keeping and internal accounting and control system are designed to ensure integrity and accuracy in the recording and reporting of all business transactions in the relevant company's books and records.

Ferrari Financial Departments should act legally and with integrity, also when dealing with Ferrari external auditors, and should refrain from falsifying, omitting or altering any corporate information in return for kickbacks, payments or other personal benefits and must ensure that all company documents, including financial statements and non-financial reporting, provide a truthful representation of the facts in accordance with relevant laws and regulations.

## **4. TRAINING**

Ferrari Group employees shall be informed on the applicable Anti-Corruption Laws and the importance of compliance with those laws and this Practice, so that they can be aware of the risks and of the relevant personal and corporate responsibilities and can clearly understand the actions to implement in order to tackle bribery and any potential violation of this Practice and Anti-Corruption Laws.

**Mandatory training programs** will be periodically developed by Group Compliance Function with the support of HR Department: they will provide the necessary knowledge of the Anti-



Corruption Laws and the instructions to recognize any potential criticalities and to avoid questionable actions from an ethical point of view.

The training programs will be targeted to employees who will be identified according to their roles in Ferrari Group and their related exposure to the risk of corruption, and will support participants and take them through presentation of questions and practical situations that can occur throughout the company's business.

## 5. MONITORING AND IMPROVEMENTS

The Internal Audit Department, where necessary with the assistance of external parties, will independently carry out appropriate **audits and controls** in order to verify the correct implementation of the subject Practice.

Group Compliance Function will periodically review this Practice and monitor its implementation to ensure it remains at **maximum efficiency** taking into consideration any organizational changes, emerging "best practices" or possible violations or criticalities that have been identified through its and Internal Audit's activities.

## 6. WHISTLEBLOWING AND REPORTING

Ferrari Group encourages employees, suppliers, clients and other stakeholders to report in good faith - or on the basis of a reasonable belief - any violation of Ferrari Code of Conduct and, in particular, attempted, suspected and actual bribery or any violation of Anti-Corruption Laws or weakness in, and violation of this Practice. Said reports can be made to the Group Compliance Function and generally through all the other channels outlined in the Ferrari Whistleblowing procedure and in the relevant section of the Internet Company Website (ref. Ethics Helpline Channels).

Ferrari Group treats reports and concerns confidentially, in order to protect the identity of the reporter and of others involved or referenced in the report. Furthermore, Ferrari Group explicitly prohibits retaliation and protect those making reports from retaliation, after they have in good faith, or on the basis of a reasonable belief, raised or reported a concern about attempted, actual or suspected bribery.

Any request received, directly or indirectly, from or on behalf of a Public Official or private party for any kind of payment of an unusual nature (including and not limited to Facilitation Payments, gifts, travel, meals and hospitality, employment, personal discounts or other personal benefits not reasonable and in good faith), must be reported to the Group Compliance Function. The Group Compliance Function will evaluate such request, will



provide indications to the employees on how to address the matter and will inform, when relevant, the HR Department and the employee supervisor (as the case maybe).

## **7. DISCIPLINARY MEASURES**

Ferrari Group shall use every reasonable action to prevent any conduct in violation of Anti-Corruption Laws and/or this Practice and to interrupt and sanction any contrary conduct by its employees. To the extent permitted by the applicable collective employment contract, Ferrari Group will take adequate measures against employees whose actions have violated or threatened to violate the Anti-Corruption Laws or this Practice and disciplinary action - in accordance with applicable local labor laws - may include termination of employment.