

Third Parties involved in our sales process

1.1 Policy statement

IMI does not, and will not, offer, pay or accept bribes, nor will it permit any Third Party to do so on its behalf. IMI will only do business with Third Parties after satisfaction of the following criteria:

1. assessment of the Third Party in relation to compliance with Anti-Bribery & Corruption Laws, export control laws and economic sanctions;
2. approval of the Third Party in accordance with the Due Diligence System or otherwise approved by Divisional Legal & Compliance; and
3. the Third Party has signed a contract approved by Divisional Legal & Compliance committing to compliance with IMI's anti-corruption policies, Anti-Bribery & Corruption Laws, export control laws and economic sanctions.

1.2 Document purpose

This document explains IMI requirements for business relationships with Third Parties as defined in the following section of this document.

To the extent that this Standard Operating Procedure conflicts with local legal requirements, contact Divisional Legal & Compliance for guidance. Divisions and business units may, with the approval of Divisional Legal & Compliance, adopt their own policies and procedures relating to Third Parties, but the policy must contain requirements that are equivalent to, or stricter than, the requirements set out in this Standard Operating Procedure (i.e. they cannot be less restrictive). Divisional Legal & Compliance can advise you of any more restrictive policy that applies to your division or business unit.

1.3 Document Definitions

Term	Definition
Anti-Bribery and Corruption Laws	The UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act 1977 and similar laws around the world.
Bribery	<p>Offering, promising, giving, requesting or accepting anything of value (for example, money, gifts, hospitality, favours, information, job opportunities, or any other benefit or advantage) with the purpose of improperly obtaining an advantage, such as:</p> <ul style="list-style-type: none">➤ <i>Gaining new business (for example, to secure a new contract)</i>➤ <i>Retaining business (for example, to secure recurrent orders or the renewal of a contract from an existing customer)</i>➤ <i>Obtaining other advantages in relation to IMI's business or influencing any decision or outcome for the benefit of IMI or IMI personnel (for example, a change to a bidding process to IMI's advantage or obtaining relevant permits/approvals for the business or IMI personnel)</i>

Corruption	<p>Misuse of powers gained through employment for the personal or private gain of the person who acts corruptly or a Third Party they are associated with.</p> <p>Bribery is a form of Corruption, though it is only one potential form of Corruption. Other forms of Corruption include:</p> <ul style="list-style-type: none"> ➤ <i>Nepotism: favouritism shown to relatives or friends</i> ➤ <i>Fraud: cheating an employer, customer or other person through deceit</i> ➤ <i>Embezzlement: stealing of money or property</i> ➤ <i>Bid rigging: agreeing to tender or not to tender in an inappropriate fashion</i>
Divisional Legal & Compliance	Each division's dedicated team of Legal & Compliance staff. Names and contact details appear on the IMI Intranet.
Third Party Due Diligence	The process by which IMI businesses obtain and review information about a Third Party and persons associated with the Third Party.
Due Diligence System	The online tools used by IMI for Third Party Due Diligence.
Export Controls	The UK Export Control Act, the US Export Administration Regulations, the EU Council Regulation (EC) No 428/2009 and similar laws around the world.
Key Individuals	<p>Any of the following in relation to a Third Party:</p> <ul style="list-style-type: none"> ➤ <i>Directors</i> ➤ <i>Officers</i> ➤ <i>Shareholders, owners or partners owning over five percent of the Third Party business directly or indirectly</i> ➤ <i>Legal representatives</i> ➤ <i>Key management employees</i> ➤ <i>Employees performing activities in connection with IMI</i>
Public Body	<p>Any of the following:</p> <ul style="list-style-type: none"> ➤ <i>A government or governmental department, agency or enterprise</i> ➤ <i>A legislative, administrative or judicial body</i> ➤ <i>An organisation or enterprise wholly or partially owned or controlled by a government (whether directly or indirectly)</i> ➤ <i>A public international organisation</i> ➤ <i>A political party</i> ➤ <i>Any other body or state-owned enterprise with the power to issue licenses, permits or perform functions on behalf of the state</i>
Public Official	<p>Any employee, official or individual:</p> <ul style="list-style-type: none"> ➤ <i>Of a Public Body</i> ➤ <i>Who exercises a public function on behalf of a Public Body</i> ➤ <i>Who is a political candidate</i> ➤ <i>Who is a member of a royal or ruling family</i>

Restricted Parties	Any person, entity or company who is (or is owned or controlled by, or acting on behalf of, any person who is): (a) named on any relevant Sanctions List (see definition below) (b) located in or incorporated under the laws of any country or territory that is a Sanctioned Country. As the date of this policy the Sanctioned Countries are: Cuba, Iran, North Korea, South Sudan, Sudan and Syria. (c) Otherwise the target of Sanctions, including sector specific in which sanctions are applied to a specific sector of a country or territory's economy (e.g. Russian oil, banking and defence sectors).
Restricted Party Screening	The process of determining if an entity or individual is a Restricted Party, and if so, what prohibitions or restrictions are applicable.
Sanctions	Economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by: (i) the United States; (ii) the United Nations; (iii) the European Union; (iv) the United Kingdom; or (v) the respective governmental institutions and agencies of any of the above.
Sanctions List	The US "Specially Designated Nationals and Blocked Persons" List, the US Department of Commerce Entity List, the UK Consolidated List of Financial Sanctions Targets, and any similar list issued or maintained by any relevant government, government authority or international organisation.
Third Party	Any external party acting, formally or informally, on behalf of IMI, or for IMI's benefit, as an intermediary in the sales process including without limitation those acting in any typical capacity described in Section 1.4 below.

1.4 Third Party definition

Third Parties include without limitation, any party that may be referred to as sales agents, sales representatives, buy-sell intermediaries, distributors, project resellers, trading houses and sales consultants. All such parties act as intermediaries in the sales process and are therefore Third Parties by definition. The key factor in identifying a Third Party is the role the party plays in the sales process, not the label applied to them.

Where one Third Party involves another Third Party in the sale process, both must be reviewed and approved through the Due Diligence System and there must be a signed contract between IMI and each Third Party.

Catalogue houses, wholesalers, service companies and simple stockists that purchase IMI products are generally to be treated as customers and not Third Parties but in case of doubt about categorisation, refer to Divisional Legal & Compliance.

1.5 Due diligence requirements

At a minimum, Third Party Due Diligence must include the following:

- Third Party complete and official legal name
- Third Party physical address, city and country in which based and (if different) where operating
- Third Party contact information (primary contact name, phone number, email address)
- Third Party type or role (agent, classic distributor, or other)
- Business case for the use of the Third Party
- Six basic compliance questions:
 1. Does the role of the Third Party seem unclear or unnecessary, or add little or no value?

2. Is there any reason to suspect involvement of Sanctioned Countries or Restricted Parties?
3. Is the Third Party a Public Body or Official, referred by a Public Body or Official or likely to interact with Public Bodies or Officials on our behalf?
4. Has the Third Party requested unusual compensation and/or payment arrangements?
5. Has the Third Party indicated that it wants to work without a contract or with a vague or simple contract?
6. Is there any other reason to be concerned about bribery, corruption, sanctions or export controls?

- ➡ Restricted party screening.
- ➡ Politically exposed persons screening.
- ➡ Adverse media screening.

1.6 Enhanced due diligence requirements

Where deemed appropriate by Divisional Legal & Compliance, the Third Party may be subject to enhanced due diligence prior to approval. For example Divisional Legal & Compliance may perform enhanced due diligence if there is a 'Yes' response to any of the six basic compliance questions, any adverse screening results and/or if the Third Party is located or operating in a territory which falls below the top 30% of the Transparency International Corruption Perception Index. Enhanced due diligence measures may include without limitation:

- External questionnaire to be completed by Third Party with supporting documentation
- Local language research (i.e. the language of the Compliance Approver)
- Foreign language / in-country research (e.g. the language of the Third Party country)
- Third Party virtual interview
- Third Party to be visited for interviews/ audit

On an ongoing basis, any Third Party may be required to submit to compliance training and/or audit of their business to confirm their adherence to IMI's compliance requirements. IMI's standard Third Party contracts give IMI the right to conduct such training and audits. Divisional Legal & Compliance may also request an annual certification of compliance from a Third Party.

1.7 Roles in the Third Party Due Diligence Process

The Proposer is the IMI employee who is proposing the new or renewed Third Party relationship. This person is responsible for proposing a Third Party for which there is a good business case and which he or she believes is aligned to our values and will comply with our standards on Anti-Bribery and Corruption Laws. This person will submit all required information in the Due Diligence System and will remain ultimately responsible for managing the Third Party relationship during and after the approval process. The Proposer must be someone with a direct working relationship with the Third Party and have knowledge of whom the Third Party is, what their capabilities are and their strategic value to IMI. Senior sales leadership will be responsible for nominating who the Proposers will be.

The Commercial Approver is a senior business leader (e.g. a Sales Director, Managing Director, etc.) who is responsible for reviewing the business case, the accuracy of the information provided by the Proposer (and Third Party, if applicable) and for making a final commercial and strategic decision to enter into a new or renewed Third Party relationship. The Commercial Approver will remain ultimately responsible for the business validity of the Third Party relationship. Each division will be responsible for nominating who the Commercial Approver(s) will be.

The Compliance Approver is a member of Divisional Legal & Compliance who is responsible for reviewing the legal and compliance risk factors and for making a final compliance risk decision to allow

IMI to enter a new or renewed relationship with a Third Party. The Compliance Approver is also responsible for approving, along with relevant management, any modification made to standard terms and conditions in the contract with a Third Party.

1.8 Contracting with a Third Party

The approval process for Third Party contracts under this SOP is separate from any divisional contract approval process and delegation of authority.

After the Compliance Approver and Commercial Approver have granted approval for the Third-Party, the Proposer must coordinate with Divisional Legal & Compliance to ensure that the most current and appropriate standard Third Party contract template is sent to the Third Party. Do NOT assume that previously approved contracts are acceptable for renewal. Always coordinate with Divisional Legal & Compliance before sending a contract to a Third Party.

Divisional Legal & Compliance must approve any modifications to the standard contract template before the contract can be signed. If there are to be any deviations in the contract to the commercial terms and remuneration originally approved in the Due Diligence System, such deviations must also be approved by the Commercial Approver.

Divisional Legal & Compliance will determine the expiry date of Third Party contracts, which will generally be three years for any Third Party which Divisional Legal & Compliance has not classified as low-risk.

The Proposer is responsible for uploading the approved contract to the Due Diligence System once all required parties have signed. Divisional Legal & Compliance will confirm that this has been done as the final step in the Due Diligence System.

For the avoidance of doubt, no dealings are to take place and no payments are to be promised or made to a Third Party prior to uploading the approved and signed contract to the Due Diligence System.

1.9 Remunerating Third Parties

No Third Party commissions above the level set by delegated authority from time to time are permitted unless approved by IMI's Chief Executive. This limit does not apply to discounts or profit margins earned by non-commission-based Third Parties such as distributors.

1.10 Renewal and termination

When contracts are to be renewed, the Third Party due diligence process and approvals must be completed again.

It is the responsibility of the Proposer to regularly review the commercial viability of the Third Party, to inform Divisional Legal & Compliance of any changes in the business or contractual relationship and to consult with Divisional Legal & Compliance about the appropriate termination process should a decision be made to terminate the contractual relationship with the Third Party.