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Anti-corruption and Fraud Prevention Policy

 Servihabitat

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ANNEX I. Communication of Gifts or Hospitality



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Date of creation	24/07/2019
Date of review	01/12/2022

This section shall include the successive amendments made to the present Policy.

1 Introduction

1.1 Purpose and Scope

This document constitutes the Anti-corruption and Fraud Prevention Policy of the group composed of the companies Coral Homes Holdco, S.L.U. (as parent company), Coral Homes S.L., Servihabitat Servicios Inmobiliarios, S.L.U. and Serviland Gestión Urbanística, S.L.U. (as subsidiary companies), (hereinafter, they shall be jointly and indistinctly called, the “**Group**” or “**Coral Homes Group**”).

The Coral Homes Group undertakes to maintain the highest ethical standards and professional principles when rendering its services to clients.

All employees of the Coral Homes Group must be governed by ethical, honest, trustworthy and transparent conduct, implementing actions and decisions for any act of fraud or corruption carried out by employees and third parties acting on behalf of the aforementioned Group or the companies that are part of it.

The aim of this *Anti-corruption and Fraud Prevention Policy* (the “**Policy**”) is to create an environment where the fraud and corruption risks are minimised to avoid the losses that these risks cause.

The consequences of fraud and corruption are not only economic, as they may also affect the following:

- Reputation of the company
- Trust of investors
- Motivation of professionals

The Coral Homes Group has a zero-tolerance policy against fraud and corruption and takes the necessary measures to tackle it.

1.2 Scope of Application and Compliance

This Policy is applicable to the Coral Homes Group and all its employees, managers and any person who holds powers of representation and management of the companies that integrate this Group (the “**Regulated Persons**”). All of the aforementioned persons must be knowledgeable of the Policy and comply with it, in addition to complying with national or international anti-fraud and anti-corruption regulations.

To this end, the employees, managers and members of the governing bodies of the companies that integrate the Coral Homes Group shall sign an annual statement of compliance with the present Policy in



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which they state to have complied with that stipulated in the aforementioned and undertake to comply with it from now on.

Failure of the Regulated Persons to comply with that established in this Policy may mean disciplinary authority is exercised by the bodies in the Coral Homes Group which are authorised to do so.

Likewise, the Coral Homes Group shall encourage the main groups connected to the companies that integrate the Group (shareholders, partners, suppliers, self-employed persons, freelancers, external collaborators, etc.) (the “**Associated Persons**”) to conduct themselves in accordance with this Policy and to adhere to that stipulated in the aforementioned.

Contracts, agreements, conventions, etc. with any clients of the Coral Homes Group, as well as with its shareholders, partners, suppliers or other collaborators shall include acceptance clauses for the Code of Ethics and for the present Policy.

Any knowledge of the Associated Persons expressly violating any of the provisions of the present Policy must lead to the resolution of the existing contractual relationships.

1.3 Definitions

- **Corruption in business**: Act by which managers, administrators, employees or collaborators of a commercial organisation or of a company, association, foundation or organisation are promised, offered or given, either directly or by means of third parties, a benefit or advantage of any kind which unduly favours this party or a third party to others, for the purchase or sale of goods, in the hiring of services or in commercial relations.
- **Corruption by civil servants (bribery of civil servants)**: Act by which an individual offers or delivers a gift or exercise of civil service in order to carry out an act contrary to the duties inherent in their position or an act typical of their position, so that they do not carry out or delay the duties they must carry out.
- **Bribery**: Offering or receiving any gift, loan, fee, reward or other advantage for or from any person in order to give rise to something dishonest or illegal being carried out in the management conduct of a company.
- **Extortion**: Act by which, for profit, a party is forced with violence or intimidation to carry out or omit a legal act or transaction to the detriment of its net worth or that of a third party. Bribery becomes extortion when this demand is accompanied by threats which put the personal safety or the lives of those involved in danger.

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- **Fraud:** Deliberate abuse of procedures, systems, goods, products and/or services of the companies that integrate the Coral Homes Group by parties which intend to mislead in order to illegally benefit themselves or in order for others to benefit.
- **Gift:** Presents, advantages, favours, provisions free of charge or any other physical gift or money donation.
- **Influence peddling:** That which influences the action of a civil servant or authority, taking advantage of any situation derived from its personal relationship with the aforementioned or with another civil servant or authority to obtain a solution which may directly or indirectly generate an economic benefit or prevent the company itself or a third party from making any kind of loss.

1.4 Legal Reference

The principal national and international legal reference for anti-corruption is as follows:

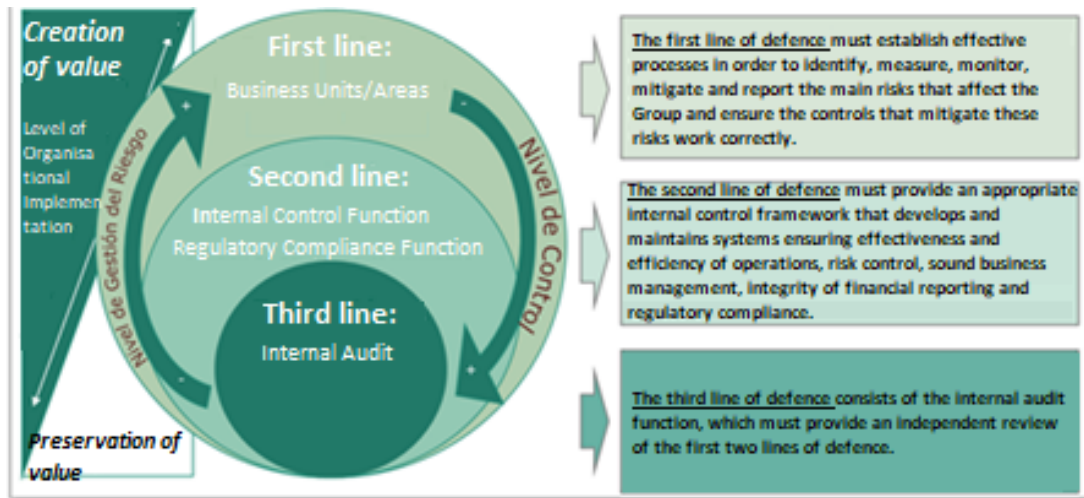
- Law 19/2013, of 9 December, on transparency, access to public information and good governance.
- Law 10/2010, of 28 April, on the prevention of money laundering and financing of terrorism, implemented by Royal Decree 304/2014 of 5 May.
- Law 12/2003, of 21 May, on blocking of financing of terrorism.
- Organic Law 10/1995, of 23 November, on the Criminal Code.
- USA Patriot Act - Title III.
- US Foreign Corrupt Practices Act of 1977.
- UK Bribery Act of 2010.
- UNE - ISO 37001 Anti-bribery Management Systems.

2 Governance

The Governance structure of this Policy starts from the Board of Directors of Coral Homes Holdco, S.L.U., (as parent company of the Group), as well as the Boards of Directors of its subsidiary companies, the latter responsible for compliance with the Policy and in charge of promoting a culture of compliance.

The functions and responsibilities of the different interest groups involved in this Policy are detailed below:





The first line of defence (Business units, Areas) is primarily responsible for managing risks and implementing the Policy.

2.1 Board of Directors of Coral Homes Holdco, S.L.U.

This is primary responsible for compliance with the Policy and its functions consist of:

- Approving the Policy and its amendments.
- Ensuring that the strategy of the Group and the Policy are in line with one another.

2.2 Corporate Compliance Committee

The Board of Directors of Coral Homes Holdco, S.L.U. has delegated the supervision of compliance with the present Policy to the Compliance Committee of the Coral Homes Group (the “**Corporate Compliance Committee**”), which shall be responsible for taking important decisions on anti-corruption and fraud prevention, as well as other matters.

Its main functions are as follows:

- Develop strategies for the prevention of corruption and fraud.
- Present to the Board of Directors the analysis carried out in relation to cases of fraud and corruption, as well as the conclusions drawn.

2.3 Chief Compliance Officers

The Compliance Committee has designated the Chief Compliance Officers of the companies that integrate the Group as operations managers for the coordination and supervision of the present Policy. These Officers have sufficient authority, independence, abilities and resources in order to be able to have full freedom to carry out this function.

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Their main functions are as follows:

- Design and prepare internal policies and regulations for fraud and corruption prevention.
- Update policies and procedures, ensuring these are valid and based on the latest trends as regards anti-fraud and anti-corruption.
- Guarantee that the policies established are complied with.
- Ensure that the objectives of the anti-corruption and fraud prevention Systems are established, implemented, maintained and reviewed in order to suitably deal with the risks identified.
- Where appropriate, participate in the design and modification of the IT processes of the Group aimed at preventing and detecting possible cases of fraud or of corruption.
- Analyse any possible case of fraud or corruption of which they have been informed (investigation).
- Inform and raise awareness among the employees of the Group as well as REAs and third party agents about the importance of preventing corruption and fraud.
- Settle any occasional queries from employees / REAs / other Areas.
- Draw up the training plan on prevention of corruption and fraud.

2.4 Compliance

Advise, monitor and supervise the fraud and corruption controls which must be applied by the first line of defence.

2.5 Legal Department

Team of legal experts, whose main functions as regards fraud and corruption prevention shall be:

- Advise and review the clauses to be included in contracts with clients, suppliers and other third parties.
- Manage any possible case of fraud or corruption.

2.6 Internal Audit

Internal Audit is responsible for supervising compliance with this Policy, and in that regard, its audit plan must include the carrying out of regular controls. Likewise, it must provide information on the fraud and corruption risks detected through its verifications or by carrying out investigation work at the request of the Compliance area.



2.7 Personnel /Human Resources

- Establish incentives to motivate employees to comply with this Policy.
- Update and review its selection processes, as well as duly monitoring the relationships held with persons linked to the organisation, in order to ensure that the obligations of this Policy are complied with. Guarantee that the candidate has the technical qualifications and experience previously required in all recruitment processes, and the process being suitably documented.

2.8 Employees

All employees of the Coral Homes Group are responsible for preventing, detecting and reporting fraud or cases of corruption. Therefore, all employees undertake to:

- Act in accordance with this Policy, as well as with the ethical values and operating principles of the Group.
- Be knowledgeable of this Policy and comply with it, in addition to complying with the related procedures.
- Immediately inform the Compliance area or Chief Compliance Officer of its respective company, which is part of the Coral Homes Group, of any fraudulent operation, any operation suspected of fraud or any irregular or improper behaviour.
- Complete all required training on fraud and corruption prevention.

3 Risk Assessment and Management

The Coral Homes Group has identified the main risks of the companies that integrate the Group for all lines of business, systems and processes in order to assess the existence and capacity of controls that mitigate these risks, as well as to define the overall risk of these companies and of the Group.

These risks include both internal and external fraud and corruption risks.

Risks and controls shall be assessed and updated regularly or whenever significant changes are made in the Group and/or in each of its member companies (for example, setting up new lines of business, implementing new processes, modifying systems, changes made to the organisational chart, etc.) or whenever current regulations are amended.

As stipulated in section 1.1 of this Policy, the Coral Homes Group has a zero-tolerance policy against fraud and corruption. Nonetheless, there is an external fraud risk inherent in the business. Controls are therefore made available to mitigate this risk, helping to detect and prevent it.

4 Actions for Fraud and Corruption Prevention

4.1 Main Controls for Fraud and Corruption Prevention

The Coral Homes Group has set out a series of actions / controls in order to minimise the chances of committing fraud, as well as to ensure any fraudulent activity is detected early. Some of these controls which make it possible to prevent, mitigate, deter or detect fraud and corruption are detailed below:

- Identification of any person with whom business relations are established prior to the start of the relations. Verification of documents.
- Training and raising awareness among professionals of the Group, informing them of what fraud and corruption are, what the most common practices are, as well how as how to act before any sign or suspicion of fraud, corruption or unlawful activity.
- Segregation of duties in order to reduce the possibility of the same person being able to carry out all activities in one process. Authorisation / approval chains for certain operations.
- Access to computer systems or transactions: limited licences allocated to the different professionals specifically allocated for certain applications and functions.
- Comprehensive policies and procedures for the Group and for each of the companies that makes it up or even for each of its Areas or Departments.
- Approval process for suppliers and REAs in order to avoid hiring third parties which have been subject to a criminal investigation or proceedings for corruption and/or fraud offences.
- Payment in cash is not accepted.

Some of the aforementioned controls are explained in more detail below.

4.1.1 Training and Raising Awareness

The Coral Homes Group shall develop and implement training plans on corruption and fraud prevention.

The training provided must be based on the following objectives:

- Inform and raise awareness among members of staff about the zero-tolerance approach of the Coral Homes Group to corruption and fraud.
- Ensure that all employees are aware of the procedures for fraud and corruption prevention, as well as the actions to take when possible cases of fraud or corruption have been detected.

- Remark both the Coral Homes Group and its employees of the consequences of any infraction of this Policy.
- Make sure there is ongoing training which is appropriate for the responsibilities of every person involved.

4.1.2 Segregation of Duties

The duties of each Area / business unit, as well as the specific access licences for software, are duly defined.

4.1.3 Hiring Suppliers and REAs

The hiring of suppliers must be subject to an approval process, in which the following actions are carried out:

- Validation of technical requirements by the business area that proposes the hiring of the supplier.
- Validation by the Compliance department.
- Validation of the information provided by the supplier on the part of the Procurement area.

Likewise, the REAs that market property belonging to the Coral Homes Group or under the management of Servihabitat Servicios Inmobiliarios, S.L.U. or Serviland Gestión Urbanística, S.L.U. must be subject to a specific approval process for REAs.

4.1.4 Limitation of Cash Payments

Under no circumstances shall cash payments be accepted.

4.2 Additional Actions for Fraud and Corruption Prevention

4.2.1 Acceptance and Giving of Gifts

Any person belonging to the Coral Homes Group must not, while carrying out his/her professional activity, directly or indirectly offer or give anyone in public office, civil servants or employees, managers or members of governing bodies of private companies or third parties associated with the aforementioned, presents, rewards, commission, gifts or other unauthorised advantages, whether in cash or in the form of other benefits, or influence in any way, taking advantage of any situation derived from the personal relationship with the aforementioned, in order to obtain preferential treatment in the awarding of contracts or of any other professional services, or personal benefits or advantages in favour of the Coral Homes Group or the companies that integrate it up.

This shall also be applicable to any judicially appointed jurors, arbitrators, intermediaries, experts, administrators or inspectors, trustees in bankruptcy or any person participating in the exercise of civil service.

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No person belonging to the Coral Homes Group must use his/her professional position to demand, accept, obtain or be promised preferential treatment, advantages, loans, commission or bribes from third parties.

Likewise, any person belonging to the Coral Homes Group may not request and/or receive gifts, favours, services in advantageous conditions or invitations from suppliers, clients, intermediaries, agents, advisers or any other parties which have or intend to have a business relation with the Coral Homes Group.

As an exception, gifts, presents and hospitality may be delivered and accepted if the following requirements are complied with:

I) Gifts and presents:

- Its economic value is a maximum of €200 per year, when given by the same person.
- They are given in response to common business courtesies.
- They are not prohibited by legislation in force at all times, or by generally accepted business practices.
- The gift is voluntary and may not have been requested beforehand. The party giving the gift must not expect any reciprocity as a result of the gift being accepted.
- Gifts are received in the workplace itself, never at the home address of the employee or at that of relatives and/or close friends.

II) Hospitality:

- Its economic value is a maximum of €500 per year, when given by the same person.
- It is reasonable within the context of business being built on.
- It is not prohibited by legislation in force at all times, or by generally accepted business practices.
- It is a voluntary act and may not have been requested beforehand. The party offering the hospitality must not expect any reciprocity as a result of the hospitality being accepted.
- Hospitality is received in the workplace itself, never at the home address of the employee or at that of relatives and/or next of kin.

The Chiefs Compliance Officers of each of the companies that makes up the Coral Homes Group shall take and keep an updated record of gifts and hospitality delivered and accepted by the Regulated Persons. The Regulated Persons belonging to Serviland Gestión Urbanística, S.L.U. must inform the Chief Compliance Officer of Servihabitat Servicios Inmobiliarios, S.L.U.

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Furthermore, all Regulated Persons must inform the Chief Compliance Officer of the appropriate company, of the delivery or receiving of a gift or hospitality, submitting a completed form (attached in Annex I of this Policy).

If the gift or hospitality exceeds the amount stipulated in this Policy, the Chief Compliance Officer of the corresponding company of the Coral Homes Group must assess and approve or decline this courtesy.

In any cases in which the acceptance of the gift or hospitality is not approved, the Chief Compliance Officer of the respective company, together with the Personnel /Human Resources department, shall organise a draw for the gift among the employees of the company.

The Compliance area or Chief Compliance Officer of the appropriate company shall also provide the employee with a letter template to thank the sender for the gift and hospitality and inform the aforementioned of the gift policy of the Group.

As regards the draw, all employees of the company of the Group shall be notified of the conditions and deadlines of the draw, as well as its terms. Once the draw has ended, the gifts shall be delivered to the winners and the aforementioned shall be recorded.

Gifts from the Coral Homes Group to the Regulated Persons or those given among Regulated Persons, whether in accordance with reporting relationships or not, are excluded from the regulation included in this section.

On the other hand, without any exception whatsoever, it is prohibited to offer or deliver any gifts, presents or hospitality to civil servants. Likewise, it is prohibited to request, accept or receive any gifts, presents or hospitality from civil servants.

4.2.2 Travel and Entertainment Expenses

Travel and entertainment expenses shall be reasonable with regard to their amount and shall answer for professional reasons, and it may not be presumed that these expenses are paying for any benefit which is inappropriate or that they are intended to make it easier to get business. All expenses must be justified with the original invoices.

4.2.3 Extortion and Bribery

The Coral Homes Group prohibits any conduct which may constitute or be related to extortion in any possible way.

Likewise, any conduct is rejected which may represent bribery or intended bribery in relation to authorities or civil servants, whether directly or indirectly, or by means of a third party.

Therefore, as previously indicated, the delivery of any gifts, goods, rights or anything else in exchange for the authorities or civil servants doing or stopping to comply with what they must do or undertaking any other unlawful activity is absolutely prohibited.

4.2.4 Influence Peddling and Facilitation Payments



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Any type of activity which may constitute influence peddling is prohibited. In other words, any kind of influence on a civil servant in order to take advantage of the exercise of the faculties for which the aforementioned is responsible or of any other situation resulting from a previous personal relationship (kinship, friendship, mutual business, etc.) or a reporting relationship with the aforementioned civil servant in particular or with another civil servant.

“Facilitation payments” are also prohibited in any shape or form, consisting in directly or indirectly offering, promising, authorising or delivering monetary incentives, commission, rewards, or anything of value to civil servants or to employees and managers of private companies in order to speed up legal or administrative proceedings, or proceedings of any other kind.

In accordance with that established in the present Policy, it is completely prohibited to offer any gifts, presents or hospitality to civil servants, or to accept any of the aforementioned from civil servants.

Any action suspected of constituting any of the conduct described must be reported by means of the channels established in section 5 of this Policy.

4.2.5 Donations, Sponsorships and Other Non-profit Contributions

The Coral Homes Group, as part of its active commitment to social responsibility, reserves its right to approve donations, grants, sponsorships, collaborations with charitable organisations and other similar contributions.

Nevertheless, all donations made by the companies that integrate the Coral Homes Group shall have a social purpose.

In addition, the companies that integrate the Coral Homes Group may only make donations or sponsor companies whose track record is recognised, and which can guarantee its experience in carrying out the social action object of the contribution.

It is prohibited to carry out any donations and sign any collaboration or sponsorship agreements with any non-profit foundations or organisations, which are directly or indirectly controlled by politicians or civil servants (or people associated with the aforementioned, such as relatives, friends, associates, etc.) who in any way intervene in operations carried out by, or due to be carried out by the Coral Homes Group.

This prohibition must not be understood in the sense of preventing work of public or company interest from being carried out in the framework of collaboration agreements signed with Public Administrations.

4.3 Regular Review of Fraud and Corruption Prevention Controls

The design and effectiveness of the controls that mitigate fraud and corruption risks are assessed regularly, and each of the Units / Areas (1st line of defence) is responsible for identifying the critical risks, as well as applying controls.

In turn, the Internal Control Area shall review the existence of controls, correct design and the capacity of these controls.



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Audits on fraud and corruption prevention are also considered in the Audit Plan.

5 Communication of Fraud or Corruption (Corporate Whistleblowing Channel and Compliance Mailboxes)

The Coral Homes Group promotes the approach of concerns in good faith and complaints, both from the Regulated Persons and the Persons Associated with the present Policy, based on reasonable belief relating to the attempt of either a supposed or real criminal breach within the Group.

Reports made regarding the breach of this Policy will be processed through the Coral Homes Group Corporate Whistleblowing Channel.

The Regulated Persons and the Persons Associated with the present Policy will be able to access the Corporate Whistleblowing Channel through the following link: in regard to Servihabitat Servicios Inmobiliarios, S.L.U. and Serviland Gestión Urbanística, S.L.U.: <https://servihabitat.integrityline.com/>, and in regard to Coral Homes Holdco, S.L.U. and Coral Homes, S.L., through the following link: <https://coralhomes.integrityline.com/>.

The management of reports filed through the Corporate Whistleblowing Channel will be carried out based on the principles and procedures included in its Regulation.

Any concerns or queries that may be raised in relation to anti-corruption and fraud prevention by Regulated Persons or persons Associated to the scope of application of the present Policy while carrying out their activity shall be made via the Compliance mailbox of Servihabitat Servicios Inmobiliarios, S.L.U. and Serviland Gestión Urbanística, S.L.U., cumplimientonormativo@servihabitat.com, or of Coral Homes Holdco, S.L.U. and Coral Homes, S.L., compliance@coralh.com.

These channels shall be used to respond to any queries made and advice shall be given on how to proceed when faced with a problem or situation which may involve fraud and/or corruption.

6 Investigating Fraud or Corruption

Any signs of fraud or corruption identified shall be investigated as soon and as diligently as possible. The purpose of the investigation shall be to assess all of the facts together in order to analyse them. The data of the investigation shall be duly documented and filed.

The analysis carried out, as well as the information obtained, shall allow the Coral Homes Group to reinforce the existing controls and make recommendations for the processes implemented in order to strengthen the fraud and corruption risk management model of the Group.

7 Reporting Fraud or Corruption

Upon identifying a case of fraud or corruption and this being investigated, whether this case has been carried out or if there is only a sign or suspicion of this, it shall be respectively reported to the Corporate Compliance Committee, and the following aspects shall be detailed, among others:

- Relevant data of the record: date on which the case was brought to attention, date of occurrence, type of fraud, if the case has been carried out or if it is only suspected, description of the action, details of the people involved, economic data, etc.
- Analysis carried out by the Chief Compliance Officer of the appropriate company.
- Supporting documents to justify analysis.
- Conclusion and action plans carried out.

When applicable and if decided, following communication and analysis by the Corporate Compliance Committee, all necessary documents shall be prepared to lodge the complaint before the Legal Authorities or in order to carry out the appropriate action.

All documents of the record (documents on the operation, investigations, etc.) shall be filed in order to respond to both internal and external requests for information from regulatory bodies or authorities, in due time and form while ensuring confidentiality.

8 Disciplinary System

In the event there is a breach of the precepts included in this Policy, the disciplinary system established in the Code of Ethics of the Coral Homes Group shall be applied.

9 Approval, Follow-up and Review

This Policy has been approved by the Board of Directors of Coral Homes Holdco, S.L.U. (as parent company of the Group) on 24 July 2019 and has been last reviewed and updated on 1 December 2022.

This Policy together with its amendments shall take effect upon its approval by the Board of Directors of Coral Homes Holdco, S.L.U.

In order to ensure the effectiveness of this Policy and other internal regulations that implement it, these shall be regularly reviewed and updated.

All significant amendments made to the present Policy shall be subject to the approval of the Board of Directors of Coral Homes Holdco, S.L.U., except for amendments of a clerical or developmental nature. In these cases, only the approval of the Corporate Compliance Committee of the Coral Homes Group shall be required.

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Likewise, the governing bodies of the Coral Homes Group shall be informed regularly, at least every year, about the application of this Policy and the internal regulations that implement it.



ANNEX I. Communication of Gifts or Hospitality

(The informant shall report to the Chief Compliance Officer of the appropriate company)

Name of the informant		
Area / Department		
Date of the communication		
Position of the informant	Recipient <input type="checkbox"/>	Sender <input type="checkbox"/>

Identification of the situation that gives rise to the gift and the relationship with the third party

Identification of gift/hospitality (description, amount)

Third party involved (Sender or recipient of the gift)

Supporting documents provided

Name:

Date:

--

Received: