

FIVES GIUSTINA S.R.L.
Corso Lombardia n. 79 – San Mauro Torinese (TO)

MODEL 231
Organisational, Management and Control
Model
pursuant to Legislative Decree No. 231/2001

First approval	16.11.2011	Board of Directors	Rev. 0.0
AMENDMENT	DATE	APPROVAL	DESCRIPTION

THIS DOCUMENT IS A TRANSLATION INTO ENGLISH LANGUAGE OF THE ORIGINAL VERSION OF THE MODEL FOR CONVENIENCE PURPOSES ONLY. THE VALID VERSION OF THE MODEL IS, AND SHALL BE, ONLY AND EXCLUSIVELY THE ITALIAN ONE. IN CASE OF DIFFERENCES OR DISCREPANCIES BETWEEN THE ITALIAN VERSION AND THE ENGLISH TRANSLATION, THE ITALIAN VERSION SHALL IN ANY CASE PREVAIL.

Table of Contents

- GENERAL SECTION..... 3
- 1. DEFINITIONS 4
- 2. GENERAL ASPECTS 5
 - 2.1 Corporate mission and governance model 5
 - 2.2 Scope of the Model 6
 - 2.3 Principles 6
 - 2.4 Addressees..... 7
 - 2.5 Preparation of the Model 7
 - 2.6 Model structure 8
 - 2.7 Offences 8
 - 2.8 Mandatory character 16
- 3. SUPERVISORY BOARD 17
 - 3.1 Duties and powers 18
 - 3.2 Access powers..... 19
 - 3.3 Collection and storage of information 19
- 4. INFORMATION FLOWS..... 20
 - 4.1. Information flows from the Supervisory Board to the top management..... 20
 - 4.2. Information flows from the Company divisions to the Supervisory Board 20
 - 4.3. Other information flows 21
- 5. DISCIPLINARY SYSTEM..... 22
 - 5.1. Scope of the disciplinary system 22
 - 5.2. Sanctions against employees..... 22
 - 5.3. Sanctions against managers 23
 - 5.4. Sanctions against Directors and Statutory Auditors 23
 - 5.5. Measures against third parties (consultants and partners) 23
 - 5.6. Publication of the disciplinary system..... 23
- SPECIAL SECTION..... 24
- ANNEX A – IDENTIFICATION OF THE AREAS AT RISK AND ADEQUACY OF THE MODEL 25
 - Annex A.1 – Identification of the areas at risk..... 25
 - Annex A.2 – Health and safety at work related offences (Article 25 septies of Legislative Decree 231/01)..... 26
 - Annex A.3 – Corporate offences and market abuses 32
 - Annex A.4 – Environmental offences 34
 - Annex A.5 – General behaviour principles for potentially medium-low risk committable offences 35
- ANNEX B – CODE OF CONDUCT 40
- ANNEX C – ORGANISATIONAL CHART [FOR INTERNAL USE]..... 43
- ANNEX D – SYSTEM OF POWERS AND POWERS OF ATTORNEY [FOR INTERNAL USE] 44
- ANNEX E – SPREADING AND UPDATING OF THE MODEL..... 45
 - Annex E.1 – Communication and training 45
 - Annex E.2 – Model updating procedure..... 45
 - Annex E.3 – Format of periodical statement to the Supervisory Board..... 46

GENERAL SECTION

1. DEFINITIONS

In this document, and in addition to the terms defined elsewhere, the terms indicated below shall have the meanings ascribed to each of them as follows:

Code of Conduct	the code of conduct approved by the Group and adopted by the Company containing the essential values, the reference standards and provisions of conduct and the principles that should inspire the behavior of persons who act on behalf and in the interest of the Company;
Legislative Decree 231/01	Legislative Decree no. 231 of June 8, 2001 (published in the Italian Official Gazette, instalment no. 140 of June 19, 2001) on the "Administrative liability of legal entities, companies and partnerships even if not vested with legal status, pursuant to Article 11 of Law No. 300 of September 29, 2000" and subsequent amendments and integrations;
Addressees	Company Officers, management and employees of the Company, as well as all those who work for the performance of activities and for achieving the objectives of the Company, including Partners;
DVR	Document assessing all risk under the Safety Consolidation Act;
Company Officers	directors, managers and members of other corporate bodies;
Group	multinational group headed by the French company Fives S.A.;
Model	this organizational, management and control model adopted by the Company pursuant Art. 6 of the Legislative Decree 231/01;
Supervisory Board	the supervisory board pursuant to the Legislative Decree 231/01, with the task of supervising the functioning of, and compliance with, the Model, as well as of updating the same;
Partners	consultants, contractors and business partners of the Company;
PS	procedures and protocol standards adopted by the Company;
RLS	employees' health and safety representative under the Safety Consolidation Act;
QHSE	responsible for prevention and protection activities under the Safety Consolidation Act;
Company	Fives Giustina S.r.l., with headquarter in Italy, San Mauro Torinese (TO), Corso Lombardia n. 79;
SPP	accident prevention and protection service under the Safety Consolidation Act;
Environment Consolidation Act	Legislative Decree no. 152 dated April 3, 2006 and subsequent amendments and integrations;
Safety Consolidation Act	Work safety consolidation act under the Legislative Decree no. 81, dated April 9, 2008 and subsequent amendments and integrations.

2. GENERAL ASPECTS

The enactment of Legislative Decree 231/01 is part of a national legislative framework for the implementation of international obligations and introduced, for the first time, in our legal system the entity directly responsible for following the commission of an exhaustive series of crimes or administrative offenses by persons associated with the institution itself from a functional relationship. The original text of the Legislative Decree 231/01 have taken into consideration a limited grid of offenses, the commission of which would lead to a consequent and autonomous administrative responsibility for the entity. Subsequently, the list of relevant case has been expanded and covers, as of today, many offenses analytically described below.

The liability exists if the crime or the administrative offense is committed in the interest or to the advantage of the company (Art. 5, paragraph I, Legislative Decree 231/01). The entity is not liable, conversely, if the author of the same acted in his/her own interest or of third parties (Art. 5, paragraph II, Legislative Decree 231/01). The relationship that binds the offender to the entity may be a representative, subordination or collaboration relationship, in accordance with Legislative Decree 231/01.

The company may be sanctioned in the guise of:

- **Pecuniary sanctions:** from € 25,800 up to € 1,549,000;
- **Disqualification sanctions:** total or partial disqualification from activity; suspension or revocation of authorisations, licenses and permits connected to the field in which the crime was committed; prohibition to contract with public authorities; exclusion from grants, facilities, incentives and revocation of those already granted, if any.

Articles 6 and 7 of Legislative Decree 231/01 state that the company may be discharged from such liability to the extent it proves that it had adopted and effectively implemented organisational and management models suitable to prevent the perpetration of crime.

More specifically, Legislative Decree 231/01 establishes that the enterprise will not be held liable for crimes committed by company personnel when it can prove that:

- a) The management body has adopted and effectively implemented before the occurrence of the event organisational and management models suitable to prevent the perpetration of crimes such as those that have been perpetrated;
- b) The duty to supervise over the operation and compliance with the models, and updating of the same, has been entrusted to a body vested with autonomous powers of initiative and control;
- c) The persons have committed the crime while fraudulently eluding the organisational, management and control models;
- d) There hasn't been lack of, or insufficient control by the body specified at letter b) above.

The areas of intervention of Legislative Decree 231/01 are those inherent to crimes in the following sectors: corporate offences, health and safety at work related offences, money laundering and receipt of stolen goods, offences against the Public Administration, transnational crimes, offences against persons, market abuse and terrorism.

2.1 CORPORATE MISSION AND GOVERNANCE MODEL

The Company has been present in the worldwide industry for over 70 years. It is part of the Fives Group, and is a global leader in the production of grinding machines. The Company designs and manufactures standard and special grinding machines mainly for the automotive industry, but also serves the precision engineering industry. The machines made by the Company are also used for the grinding of the bearings, valves, compressors and details of the mechanical components of precision in general. The continued cooperation with the biggest national and international names in the industry has allowed the company to develop a great experience in the field of grinding. Each component of the machines made by the Company is designed, engineered and built in its own laboratories and factory, using forefront mechanical, electrical and technological equipment. Thanks to compliance with customer requirements and quality standards, the Company has already obtained the ISO 9001 international certifications, ISO 14001, OHSAS 18001

The Company employs approximately 70 persons.

The Company's **Corporate Governance** is based on the traditional model, as specified herein below:

Restricted Version ENG

- **Shareholders' Meeting**, competent to resolve both as ordinary and special meeting on the matters reserved to the same by the law and the company By-laws. Currently, the Company has a sole shareholder;
- **Board of Directors**, vested with all powers of management of the Company with faculty to carry out all actions for the attainment of the business purpose, excluding those reserved by the law and the company By-laws to the Shareholder's Meeting;
- **Sole Auditor**, vested with the duty of supervising over: a) compliance with the law and the Deed of Incorporation and compliance with the principles of correct management; b) adequacy of the management structure of the Company, of the internal control system and the administrative accounting system, also in terms of reliability of the latter to correctly reflect the management facts;
- **External Auditor**, filed in the special register and appointed by the Shareholders' Meeting, vested with auditing of accounts in compliance with applicable laws.

The organisational structure of the Company is inspired by the principle of **separation of duties, roles and responsibilities** among the operating and supervisory bodies. By means of own internal communication systems, the Company defines the organisational structures and the relevant reporting guidelines.

2.2 SCOPE OF THE MODEL

The implementation of the Model responds to the Company's belief that any element useful for the purpose of applying correctness and transparency to corporate activities should be pursued, both to safeguard the Company's image and to protect the interests of the Group to which it belongs.

The Company holds that the adoption of such Model represents a fundamental instrument to involve all persons who act on behalf of the Company so that, in furtherance of their activities, they be induced to behaviours inspired by the ethics of responsibility and, accordingly, behaviour which are correct and compliant with applicable laws.

The scope of this document is to define the Company's Model and the initiatives to be adopted so that the specific provisions in terms of administrative liability of legal entities be abided by and risks connected thereto be limited.

Namely, by identifying the risks and those processes liable to be subject matter of a crime, the Model is aimed at:

- Creating, in all those persons acting in the name and on behalf of the Company, full awareness that, in case of breach of applicable laws, they might be liable to incur sanctions both from the criminal and administrative perspective;
- Making such persons aware that unlawful behaviours may imply pecuniary sanctions or disqualification upon the Company;
- Underlining how unlawful behaviours are strongly opposed by, and contrary to the interests of, the Company, even though apparently the same could obtain an advantage therefrom, since they are against the ethical-social principles of the Company and applicable laws;
- Allowing the Company, thanks to a constant monitoring of the sensitive processes and thus of the risks that a crime be committed, to promptly react so as to prevent and fight the same.

2.3 PRINCIPLES

On the basis of what expressly provided for by Legislative Decree 231/01, the basic principles which inspire the Model are:

- Any operation, transaction, action shall have to be liable to be verified, documented and be adequate;
- No one shall have to be in a position to autonomously handle an entire process and, as a consequence, the principle of separation of duties shall have to be abided by;
- Powers shall have to be granted consistently with responsibilities;
- The supervisory system shall have to keep track of the controls carried out, including supervision.

2.4 ADDRESSEES

The principles and contents of this Model are addressed to all Addressees and thus to all members of corporate bodies, the management and employees of the Company. They are also addressed to all those who carry out activity in furtherance of the Company's aims.

2.5 PREPARATION OF THE MODEL

Before the preparation of this Model, a detailed analysis aimed at building a system for identifying, preventing and managing potential risks/crimes. A summary of the activities performed is listed herein below:

- a) **Identification of areas at risk and identification of potential risks.** The scope of this phase has been an analysis of the company context, so as to identify all areas in which the Company operates and, amongst these, those that are abstractedly liable to be subject to the offences envisaged by Legislative Decree 231/01. The identification of the sensitive areas and processes has been carried out through the examination of company documents (organisational structure, procedures, powers of attorney, etc.) and discussions with key persons within the company structure. In respect of crimes potentially liable to be committed, the possibilities, motivations and methods have been assessed. The outcome of such activity is represented by a chart containing a description of all Company activities, with specific indication of those at risk (see Annex A). The analysis of the methods of perpetration of murder and accidental injury through violation of health and safety laws at work has been carried out also taking into account the work risk assessment made in compliance with the Safety Consolidation Act, Chapter III Section II.
- b) **As-is analysis.** After having identified potential risks, an analysis as to the existing prevention control system in the processes/areas at risk has been conducted. This in order to render the subsequent adequacy judgment for the purposes of preventing crimes. In the course of such phase, based on information provided by company bodies and examination of documents supplied thereby, an assessment of the current existing internal control structures has been carried out (formal procedures and/or customary behaviours adopted, supervision, accountability and traceability of operations and controls, separation and segregation of duties, etc.).
- c) **Gap analysis.** On the basis of the results achieved during the previous phase and by making a comparison with a reference theoretical method (consistent with Legislative Decree 231/01, with the guidelines prepared by the Italian Industrial Enterprises Association and with the best national and international practices), the Company has identified certain areas of integration and/or improvement in the control system and relevant initiatives, which have been duly implemented by the Company.
- d) **Preparation of the Model.** In light of the outcome of the preceding phases, the Company has seen to the preparation of the first Model, the structure of which is described in paragraph 1.6 below, also specifying the methods for its updating.

All results of the above mentioned phases have been shared with the Company structures involved.

More specifically, in order to effectively implement Legislative Decree 231/01 and complete a correct and accurate identification of the areas where crimes may be committed:

- An assessment of Company activities for the purpose of identifying those areas in which there might be a risk of crime, meaning as such any event or behaviour which may determine or facilitate the occurrence, also by way of attempt, of any of the offences provided for by Legislative Decree 231/01 in the interest of, or to the advantage of, the Company, has been carried out. In addition, in light of the recent broadening of the responsibility of legal entities also in relation to murder and accidental injury, the analysis of activities has also been extended to those activities potentially concerned with workplace accidents which may occur to employees and third parties because of breach of safety laws;
- Also those areas which may have an indirect and instrumental importance for the perpetration of crimes have been taken into consideration (for example: hiring of personnel; incentive system; consultancies and professional activities; purchase of goods and services; sponsorships and entertainment expenses; advertising);
- With reference to all risk areas (also instrumental areas), also indirect relationships, that is those that the Company entertains or may entertain by means of third parties, have been examined;
- The notion of Public Administration adopted for the purpose of identifying areas at risk has been taken from Articles 357 and 358 of the Italian Criminal Code, whereby are considered civil servants and public officers those that, with or without a subordinate employment relationship with public authorities, carry out activities which are governed by public law.

2.6 MODEL STRUCTURE

The Model comprises, first of all, this **General Section** whereby, after a reference to Legislative Decree 231/01, the essential features of the Model itself, the crimes envisaged by Legislative Decree 231/01, the composition and powers of the Supervisory Board, the internal information flows for an effective operation of the Model and the disciplinary sanctions in case of breach are explained.

Besides the General Section, this Model includes a **Special Section** made up of several Annexes which supplement the document in order to abide by the contents prescribed by Article 6 of Legislative Decree 231/01. More specifically:

- Annex A:** Identification of the areas at risk and adequacy of the Model, whereby, *inter alia*, the types of offences, the areas at risk, the internal behaviour principles in respect of the types of offences more relevant for the Company (health and safety at work related offences, corporate offences, money laundering and receipt of stolen goods, computer crimes). Taking into account the current identification of areas at risk, at present it has not been held necessary to provide for specific sections for offences committed within the scope of relations with the Public Administration, against individuals, market abuse, computer frauds but at the same time a specific annex for general behaviour principles when low risk areas are concerned has been added.
- Annex B:** Code of Conduct;
- Annex c:** Organisational chart [for internal use];
- Annex D:** System of powers and powers of attorney [for internal use];
- Annex E:** Spreading and updating of the Model.

This structure has been chosen as it allows a continuous updating of the Model through the insertion of new Annexes and the simultaneous updating of the contents of this General Section.

2.7 OFFENCES

Table 1 herein below describes offences relevant to the purposes of Legislative Decree 231/01, with connected pecuniary and disqualification sanctions.

Table 1 – Crimes and sanctions

Reference Legislation	Alleged crime	Pecuniary sanctions		Disqualification sanctions				
		Quotas (min –max)	Amounts (min – max) in euros	Disqualification	Suspension or revocation of authorisations, licences and permits (Article 9, Paragraph 2, Lett. b, Legislative Decree 231/01)	Prohibition to contract with the Public Administration (Article 9, Paragraph 2, Lett. c, , Legislative Decree 231/01)	Exclusion from grants, loans and incentives (Article 9, Paragraph 2, Lett. d, Legislative Decree 231/01)	Prohibition to advertise goods and services (Article 9, Paragraph 2, Lett. e, Legislative Decree 231/01)
Article 24, Legislative Decree 231/01	Article 316 bis of the Italian Criminal Code (embezzlement to the detriment of the State)	100-500 With aggravating circumstance 200-600	25,800.00 - 774,500.00 With aggravating circumstance 51,600.00-929,400.00	-	-	Yes	Yes	Yes
Article 24, Legislative Decree 231/01	Article 316 ter of the Italian Criminal Code (theft of public funds)	100-500 With aggravating circumstance 200-600	25,800.00 - 774,500.00 With aggravating circumstance 51,600.00-929,400.00	-	-	Yes	Yes	Yes
Article 24, Legislative Decree 231/01	Article 640, Paragraph 2, no. 1, of the Italian Criminal Code (fraud against the State)	100-500 With aggravating circumstance 200-600	25,800.00 – 774,500.00 With aggravating circumstance 51,600.00-929,400.00	-	-	Yes	Yes	Yes
Article 24, Legislative Decree 231/01	Article 640 bis of the Italian Criminal Code (fraud aimed at obtaining public financing)	100-500 With aggravating circumstance 200-600	25,800.00 – 774,500.00 With aggravating circumstance 51,600.00-929,400.00	-	-	Yes	Yes	Yes
Article 24, Legislative Decree 231/01	Article 640 ter of the Italian Criminal Code (computer fraud)	100-500 With aggravating circumstance 200-600	25,800.00 – 774,500.00 With aggravating circumstance 51,600.00-929,400.00	-	-	Yes	Yes	Yes
Article 24 bis, Paragraph 1 Legislative Decree 231/01	Article 615 ter of the Italian Criminal Code (unauthorized access to computer system)	100 – 500	25,800.00 – 774,500.00	Yes (from 3 months to 2 years)	Yes (from 3 months to 2 years)	No	No	Yes (from 3 months to 2 years)
Article 24 bis, Paragraph 1 Legislative Decree 231/01	Article 617 quarter and quinquies of the Italian Criminal Code (interception of information flows and installation of equipment able to intercept information flows)	100 – 500	25,800.00 – 774,500.00	Yes (from 3 months to 2 years)	Yes (from 3 months to 2 years)	No	No	Yes (from 3 months to 2 years)
Article 24 bis, Paragraph 1 Legislative Decree 231/01	Article 635 bis, ter, quater, quinquies of the Italian Criminal Code (damage to computer systems and computer information)	100 – 500	25,800.00 – 774,500.00	Yes (from 3 months to 2 years)	Yes (from 3 months to 2 years)	No	No	Yes (from 3 months to 2 years)

Restricted Version ENG

Reference Legislation	Alleged crime	Pecuniary sanctions		Disqualification sanctions				
		Quotas (min –max)	Amounts (min – max) in euros	Disqualification	Suspension or revocation of authorisations, licences and permits (Article 9, Paragraph 2, Lett. b, Legislative Decree 231/01)	Prohibition to contract with the Public Administration (Article 9, Paragraph 2, Lett. c, , Legislative Decree 231/01)	Exclusion from grants, loans and incentives (Article 9, Paragraph 2, Lett. d, Legislative Decree 231/01)	Prohibition to advertise goods and services (Article 9, Paragraph 2, Lett. e, Legislative Decree 231/01)
Article 24 bis, Paragraph 2, Legislative Decree 231/01	Article 615 <i>quater</i> of the Italian Criminal Code (detention of programmes able to interrupt the computer system)	100 – 300	25,800.00 – 464,700.00	No	Yes (from 3 months to 2 years)	No	No	Yes (from 3 months to 2 years))
Article 24 bis, Paragraph 2, Legislative Decree 231/01	Article 615 <i>quinqües</i> of the Italian Criminal Code (spreading of computer viruses)	100 – 300	25,800.00 – 464,700.00	No	Yes (from 3 months to 2 years))	No	No	Yes (from 3 months to 2 years))
Article 24 bis, Paragraph 3, Legislative Decree 231/01	Article 491 <i>bis</i> of the Italian Criminal Code (except for Article 24 of Legislative Decree 231/2001) (computer fraud in documents having evidentiary value)	100 – 400	25,800.00 – 619,600.00	No	Non	Yes (from 3 months to 2 years))	Yes (from 3 months to 2 years))	Yes (from 3 months to 2 years))
Article 24 bis, Paragraph 3, Legislative Decree 231/01	Article 640 <i>quinqües</i> of the Italian Criminal Code (except for Article 24 of Legislative Decree 231/2001) (computer fraud perpetrated by the person who provides services for electronic signature certification)	100 – 400	25,800.00 – 619,600.00	No	Non	Yes (from 3 months to 2 years))	Yes (from 3 months to 2 years))	Yes (from 3 months to 2 years))
Article 25, Paragraph 1, Legislative Decree 231/01	Articles 318, 321 and 322 of the Italian Criminal Code (improper bribery and inducement to improper corruption)	100-200	25,800.00 – 309,800.00	-	-	-	-	-
Article 25, Paragraph 2, Legislative Decree 231/01	Articles 319, 319 <i>ter</i> , Paragraph 1, 321, 322, Paragraphs 2 and 4, of the Italian Criminal Code (bribery, judicial corruption and inducement to corruption)	200-600	51,600.00 – 929,400.00	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)
Article 25, Paragraph 3, Legislative Decree 231/01	Articles 317, 319 (with aggravating circumstance under Articles 319 <i>bis</i> , 319 <i>ter</i> , Paragraph 3, and 321) of the Italian Criminal Code (extortion, bribery, judicial corruption)	300-800	77,400.00 – 1,239,200.00	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)

Restricted Version ENG

Reference Legislation	Alleged crime	Pecuniary sanctions		Disqualification sanctions				
		Quotas (min –max)	Amounts (min – max) in euros	Disqualification	Suspension or revocation of authorisations, licences and permits (Article 9, Paragraph 2, Lett. b, Legislative Decree 231/01)	Prohibition to contract with the Public Administration (Article 9, Paragraph 2, Lett. c, , Legislative Decree 231/01)	Exclusion from grants, loans and incentives (Article 9, Paragraph 2, Lett. d, Legislative Decree 231/01)	Prohibition to advertise goods and services (Article 9, Paragraph 2, Lett. e, Legislative Decree 231/01)
Article 25 bis, Legislative Decree 231/01	Forgery of coinages, banknotes and duty stamps	300-800	77,400.00 – 1,239,200.00	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)
Article 25 bis, Legislative Decree 231/01	Articles 513, 513 bis, 514, 515, 516, 517, 517 ter, 517 quater of the Italian Criminal Code (crimes against industry and trade)	100-800	25,800.00 – 1,239,200.00	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)
Article 25 ter, Lett. a and s-bis Legislative Decree 231/01	Art. 2621 of the Italian Civil Code (False company information) Art. 2635 of the Italian Civil Code (Private corruption)	100-400 with aggravating circumstance 266-533	51.600,00 – 619.600,00 with aggravating circumstance 68.628,00 – 825.617,00	-	-	-	-	-
Art. 25 ter Lett. a bis Legislative Decree 231/01	Art. 2621 bis of the Italian Civil Code (False accounting of slight entity)	100 - 200 with aggravating circumstance 133 - 266	25.800,00 – 309.800,00 with aggravating circumstance 34.314,00 – 412.034,00	-	-	-	-	-
Art. 25 ter Lett. b Legislative Decree 231/01	Art. 2622 of the Italian Civil Code (False corporate communications of listed companies)	400 - 600 with aggravating circumstance 533 - 800	103.200,00 – 929.400,00 with aggravating circumstance 137.514,00 – 1.239.200,00	-	-	-	-	-
Art. 25 ter Lett. d, f and m Legislative Decree 231/01	Art. 2623, paragraph I, of the Italian Civil Code (False accounting) Art. 2624, paragraph I, of the Italian Civil Code (False communications within the relationship with the advisory company) Art. 2627 of the Italian Civil Code (Illegal distribution of profits or reserves)	200 - 260 with aggravating circumstance 266 - 346	51.600,00 – 402.740,00 with aggravating circumstance 68.628,00 – 535.954,00	-	-	-	-	-
Art. 25 ter Lett. e Legislative Decree 231/01	Art. 2623, paragraph II of the Italian Civil Code (Crime of false accounting)	400 - 660 with aggravating circumstance 533 - 880	103.200,00 – 1.022.340,00 with aggravating circumstance 137.514,00 – 1.363.120,00	-	-	-	-	-

Restricted Version ENG

Reference Legislation	Alleged crime	Pecuniary sanctions		Disqualification sanctions				
		Quotas (min –max)	Amounts (min – max) in euros	Disqualification	Suspension or revocation of authorisations, licences and permits (Article 9, Paragraph 2, Lett. b, Legislative Decree 231/01)	Prohibition to contract with the Public Administration (Article 9, Paragraph 2, Lett. c, , Legislative Decree 231/01)	Exclusion from grants, loans and incentives (Article 9, Paragraph 2, Lett. d, Legislative Decree 231/01)	Prohibition to advertise goods and services (Article 9, Paragraph 2, Lett. e, Legislative Decree 231/01)
Art. 25 ter Lett. g and s Legislative Decree 231/01	Art. 2624, paragraph II of the Italian Civil Code (False communications within the relationship with the advisory company) Art. 2638 of the Italian Civil Code (Preventing public supervisory authorities from performing their duties)	400 - 800 with aggravating circumstance 533 - 1066	103.200,00 – 1.239.200,00 with aggravating circumstance 137.514,00 – 1.651.234,00	-	-	-	-	-
Art. 25 ter Lett. h, l, l, m and n Legislative Decree 231/01	Art. 2625, paragraph II of the Italian Civil Code (Hindranc to controls) Art. 2632 of the Italian Civil Code (Fictious corporate capital formation) Art. 2626 of the Italian Civil Code (Undue restitution of corporate capital) Art. 2627 of the Italian Civil Code (Illegal distribution of profits or reserves) Art. 2628 of the Italian Civil Code (Illegal transactions concerning company shares or quotas of the holding company)	200 - 360 with aggravating circumstance 266 - 480	51.600,00 – 557.640,00 with aggravating circumstance 68.268,00 – 743.520,00	-	-	-	-	-
Art. 25 ter Lett. o, p and q Legislative Decree 231/01	Art. 2629 of the Italian Civil Code (Transactions causing prejudice to creditors) Art. 2633 of the Italian Civil Code (Illegitimate distribution of company assets by the liquidators) Art. 2636 of the Italian Civil Code (Illegitimate influence over Shareholders' Meeting)	300 - 660 with aggravating circumstance 400 - 880	77.400,00 – 1.022.340,00 with aggravating circumstance 103.200,00 – 1.363.120,00	-	-	-	-	-
Art. 25 ter Lett. r Legislative Decree 231/01	Art. 2637 of the Italian Civil Code (Agiotage) Art. 2626-bis of the Italian Civil Code (omitted communication of conflict of interests)	400 – 1000 with aggravating circumstance 533 - 1333	103.200,00 – 1.549.000,00 with aggravating circumstance 137.514,00 – 2.064.817,00	-	-	-	-	-
Article 25 quater, Paragraph 1 Legislative Decree 231/01	Terrorism	200-1000	51,600.00 – 1,549,000.00	Yes (min 1 year) + definitive disqualification in aggravating circumstances (Article 25, Paragraph 3)	Yes (min 1 year) + definitive revocation in aggravating circumstances (Article 25, Paragraph 3)	Yes (min 1 year) + definitive prohibition in aggravating circumstances (Article 25, Paragraph 3)	Yes (min 1 year) + definitive exclusion in aggravating circumstances (Article 25, Paragraph 3)	Yes (min 1 year) + definitive prohibition in aggravating circumstances (Article 25, Paragraph 3)

Restricted Version ENG

Reference Legislation	Alleged crime	Pecuniary sanctions		Disqualification sanctions				
		Quotas (min –max)	Amounts (min – max) in euros	Disqualification	Suspension or revocation of authorisations, licences and permits (Article 9, Paragraph 2, Lett. b, Legislative Decree 231/01)	Prohibition to contract with the Public Administration (Article 9, Paragraph 2, Lett. c, , Legislative Decree 231/01)	Exclusion from grants, loans and incentives (Article 9, Paragraph 2, Lett. d, Legislative Decree 231/01)	Prohibition to advertise goods and services (Article 9, Paragraph 2, Lett. e, Legislative Decree 231/01)
Article 25 quater, Paragraph 2 Legislative Decree 231/01	Mutilation of female genital organs	300-700	77,400.00 -1,084,300.00	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)
Article 25 quinquies, Legislative Decree 231/01	Crimes against personal freedom	200-1000	51,600.00 – 1,549,000.00	Yes (min 1 year) + definitive disqualification in aggravating circumstances	Yes (min 1 year) + definitive revocation in aggravating circumstances	Yes (min 1 year) + definitive prohibition in aggravating circumstances	Yes (min 1 year) + definitive exclusion in aggravating circumstances	Yes (min 1 year) + definitive prohibition in aggravating circumstances
Article 25 sexies, Legislative Decree 231/01	Market abuse	400-1000 With aggravating circumstances: up to 100 times the product or the profit	103,200.00 – 1,549,000.00	-	-	-	-	-
Article 25 septies, Paragraphs 1 and 2, Legislative Decree 231/01	Article 589 of the Italian Criminal Code (injuries as a consequence of breach of health and safety rules at work)	Minimum 1000 for companies (Paragraph 1 of Article 27 septies) From 250 to 500 quotas in all other cases	258,000.00 – 1,549,000.00 64,500.00 – 774,500.00	Yes (from 3 months to 1 year)	Yes (from 3 months to 1 year)	Yes (from 3 months to 1 year)	Yes (from 3 months to 1 year)	Yes (from 3 months to 1 year)
Article 25 septies, Paragraph 3, Legislative Decree 231/01	Article 590, Paragraph 3, of the Italian Criminal Code (very serious injuries as a consequence of breach of health and safety rules at work)	100 – 250	25,800.00 – 387,250.00	Yes (max 2 months)	Yes (max 2 months)	Yes (max 2 months)	Yes (max 2 months)	Yes (max 2 months)
Article 25 octies, Legislative Decree 231/01	Receipt of stolen goods, money laundering, self-money laundering	400-1000	103,200.00 – 1,549,000.00	Yes (max 2 years)	Yes (max 2 years)	Yes (max 2 years)	Yes (max 2 years)	Yes (max 2 years)
Article 10, Paragraph 2, Law 146/2006	Transnational criminal organisations	400-1000	103,200.00 – 1,549,000.00	Yes (min 1 year) + definitive disqualification in aggravating circumstances	Yes (min 1 year) + definitive revocation in aggravating circumstances	Yes (min 1 year) + definitive prohibition in aggravating circumstances	Yes (min 1 year) + definitive exclusion in aggravating circumstances	Yes (min 1 year) + definitive prohibition in aggravating circumstances

Restricted Version ENG

Reference Legislation	Alleged crime	Pecuniary sanctions		Disqualification sanctions				
		Quotas (min –max)	Amounts (min – max) in euros	Disqualification	Suspension or revocation of authorisations, licences and permits (Article 9, Paragraph 2, Lett. b, Legislative Decree 231/01)	Prohibition to contract with the Public Administration (Article 9, Paragraph 2, Lett. c, , Legislative Decree 231/01)	Exclusion from grants, loans and incentives (Article 9, Paragraph 2, Lett. d, Legislative Decree 231/01)	Prohibition to advertise goods and services (Article 9, Paragraph 2, Lett. e, Legislative Decree 231/01)
Article 10, Paragraph 7, Law 146/2006	Transnational traffic of migrants	200-1000	51.600,00 – 1,549,000.00	Yes (max 2 years)	Yes (max 2 years)	Yes (max 2 years)	Yes (max 2 years)	Yes (max 2 years)
Article 10, Paragraph 9, Law 146/2006	Hindrance to international justice	Max 500	25,800.00 – 774,500.00	-	-	-	-	-
Art. 25 undecies, Legislative Decree 231/2001, and Legislative Decree No. 152/2006 and Legislative Decree No. 121/2011	Environmental crimes	150 - 1000	38.700 – 1, 549,000.00	Yes definitive disqualification in aggravating circumstances	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)
Article 25 duodecies	Hiring of non-EU citizen with irregular permit of stay	100 – 200 maximum euro 150.000,00	25.800,00 – 150.000,00	-	-	-	-	-

Restricted Version ENG

In light of the Company's activity, it has been decided to focus the attention mainly on identifying areas whereby the crimes indicated in the following articles of Legislative Decree 231/2001 (see Annex A.1 to the Special Section – Identification of the areas at risk) may be perpetrated:

- Article 25 *ter* (corporate offences);
- Article 25 *sexies* (market abuse offences);
- Article 25 *septies* (health and safety at work related offences);
- Article 25 *undecies* (environmental crimes).

In such respect, specific provisions have been set aside in the Annexes to the Special Section of this Model. In addition, it cannot be excluded that, abstractedly, the following crimes also be perpetrated in the interest or to the advantage of the Company:

- Article 24 *bis* (computer crimes);
- Article 25 (offences against the Public Administration);
- Article 25 *bis*, Paragraph 1 (offences against industry and trade);
- Article 25 *quinqüies* (offences against personal freedom);
- Article 25 *octies* (receipt of stolen goods, money laundering, self money laundering);
- Law No. 146/2006 (transnational crimes such as criminal organisations, money laundering, traffic in migrants, hindrance to justice);
- Article 25 *duodecies* (hiring of non-EU citizen with irregular permit of stay).

With reference to the above offences, the provisions of the Code of Conduct and of the Model have been held appropriate for the prevention thereof. In any case, it has been held useful to specify certain behaviour rules in the Special Section, so as to strengthen the system of controls already in place (see Annex A.6).

Finally, an overview of company activities has evidenced as remote the possibility that the following crimes be committed in the interest or to the advantage of the Company:

- Forgery of money (Article 25 *bis*);
- Offences against individuals such as pornography, against female sexual integrity and underage prostitution (Article 25 *quinqüies*).

For such latter types of offences, a simple reference to the provisions of the Company's Code of Conduct has been deemed sufficient. However, while identifying the areas at risk, the following elements of the preventative control system have been analysed:

- Organisational System.** The assessment as to the adequacy of the organisational system has been conducted on the basis of the following criteria:
 - Codification of the organisational system;
 - Clear definition of responsibilities and hierarchical lines;
 - Segregation between company divisions and existence of a system of check and balances;
 - Correspondence between activities actually carried out and the subject matter of duties and responsibilities formally entrusted.
- Procedures.** In such respect, focus has been brought on an assessment as to the presence of standard codified procedures to govern the activities carried out in divisions at risk, keeping in mind not only negotiation phases but also impulse and creation of corporate decisions.
- Authorisation System.** The analysis concerned the existence of authorisation and signature powers consistent with organisational and management responsibilities entrusted and/or actually carried out. The assessment has been conducted on the basis of an examination of the powers of attorney granted, both versus the exterior and the interior, in light of the company organisation.
- Control Management System.** In such context, the existing Company control management system, the persons involved in the process and the capability of the system to promptly notify of the existence and occurrence of general and/or specific criticalities have been scrutinised.
- Monitoring of processes and management of documents.** The analysis concerned the existence of an appropriate system (also IT system) for a continuous monitoring of processes so as to verify results and non compliances, if any, besides the presence of an adequate system for managing documents so as to allow traceability of operations.
- Ethical principles contained in the Code of Conduct.**

Restricted Version ENG

- g) Disciplinary System.** The analyses have been aimed at understanding if the disciplinary system currently in force, used to sanction breaches by employees, managers, Directors, Sole Auditor and Partners of principles and provisions set aside for preventing offences, was adequate.
- h) Communication to personnel and training thereof.** Assessments had the goal of verifying the presence of communication and training medias for personnel. Given the need to adopt direct initiatives for the purpose of Legislative Decree 231/01, a specific plan was implemented with the aim to spread the Model and the Code of Conduct, besides the ensuing need to secure training of human resources.

2.8 MANDATORY CHARACTER

The Company Officers and, more in general, the Addressees shall scrupulously abide by the rules and provisions of this Model.

3. SUPERVISORY BOARD

Art. 6, paragraph 1, lett. b) of the Legislative Decree 231/01 provides that the Company shall entrust a supervisory body with independent powers of initiative and control, the task of supervising the functioning and observance of the Model, as well as its regular updating.

The Company's Board of Directors, having regard to the structure and the concrete company organizational characteristics of the Company, has appointed an external consultant who has specific expertise in the concerned field, entrusting him with the fundamental task of the above monitoring.

The Supervisory Board must meet the requirements of integrity and expertise established for the Company Officers and not be in situations of incompatibility or conflict of interest due to significant financial or family relationships with the Company, its officers or persons which have had during the previous 3 years, or currently have, a senior positions.

The Supervisory Board cannot be appointed or, if appointed, shall cease from office, for the following reasons:

- a) Whereby family relationships (relatives, spouses) exist with: members of the Board of Directors; persons vested with powers to represent, manage or direct the Company; Sole Auditor; personnel of the external Auditors;
- b) Whereby conflicts of interest exist, even if potential, with the Company or subsidiaries thereof liable to affect independence;
- c) Whereby equity holding, directly or indirectly, exists for a share that allows the exercise of substantial influence on the Company and subsidiaries thereof;
- d) Whereby he/she was vested with the office of Director, in the three fiscal years preceding the appointment as Supervisory Board, in companies undergoing bankruptcy procedures;
- e) Whereby he/she was employed with public local or central authorities in the three fiscal years preceding the appointment as member of the Supervisory Board;
- f) Conviction, even though not final, or plea bargain, in Italy or abroad, for violations relevant under Legislative Decree 231/01;
- g) Conviction, even though not final, or plea bargain, to a punishment that implies disqualification, also temporary, from public offices or temporary disqualification from managerial duties in legal entities or enterprises.

In particularly serious cases, the Board of Directors may resolve – with the consent of the Sole Auditor – upon suspension of duties and/or powers of the Supervisory Board and appointment of an *interim* body or revocation of powers in the following instances:

- Lack of, or insufficient, supervision by the Supervisory Board resulting from a conviction judgment, even though not final, rendered against the Company under Legislative Decree 231/01 or from a plea bargain;
- Serious breach of the duties of the Supervisory Board.

The Supervisory Board reports directly to the Board of Directors.

In performing its function, the Supervisory Board may request the cooperation of internal and external resources. The Supervisory Board shall submit regularly, at least annually, to the Board of Directors with its own action plan, identifying the activities that will be undertaken and the areas that will be tested.

In order to perform the activities of monitoring and control, the Company's Board of Directors, taking into account the activities of the Supervisory Board, ascribes to it an annual expenditure budget for carrying out such activities, in full economic and management autonomy. The budget will be updated from time to time depending on the specific needs arising. Any overrun of the budget determined by specific needs will be communicated by the Supervisory Board to the Company's Board of Directors. The task of supervision and control pertaining to the Supervisory Board is performed in general terms through the activities referred to in the following paragraph 3.1.

3.1 DUTIES AND POWERS

The Supervisory Board acts with autonomous powers of initiative and control.

The duties of the Supervisory Board are defined as follows:

- a) Supervising over the effectiveness of the Model, that is compliance with the provisions thereof by the Addressees;
- b) Monitoring the Model implementation and updating activities;
- c) Supervising over the effectiveness of the Model, that is the effectiveness thereof to prevent unlawful behaviours;
- d) Analysing the capability of the Model to remain, over the years, adequate and effective and promoting the necessary adjustments;
- e) Approving and implementing the supervision program within the structures and divisions of the Company;
- f) Taking care of the relevant information flows with the Board of Directors, with the Head Department and with the Company divisions.

The Supervisory Board shall define:

- a) The necessary resources and the operating methods to effectively operate so as to avoid lack of, or insufficiency of, supervision (Art. 6, Paragraph 1, Letter d), of Legislative Decree 231/01);
- b) The necessary measures to guarantee to the Supervisory Board and support personnel autonomous powers of initiative and control (Art. 6, Paragraph 1, Letter d), of Legislative Decree 231/01).

From a more operational perspective, the Supervisory Board shall:

- Activate the control procedures, keeping in mind that primary responsibility on activities, including those related to areas at risk, lies in any case with the management and is an integral part of the company processes;
- Conduct examinations of company activities, for the purpose of continuously identifying the areas at risk within the company context;
- Periodically conduct specific controls on certain activities and operations carried out within areas at risk;
- Collect, examine and store relevant information on the observance of the Model, update the list of information that has to be transmitted on a mandatory basis to the Supervisory Board;
- Coordinate with other company divisions for a better monitoring of the areas at risk;
- Verify the existence, due keeping and effectiveness of the documents provided for by company procedures in areas at risk;
- Conduct internal inquiries to assess alleged breaches of the Model;
- Verify if the contents of the Model are adequate and compliant with Legislative Decree 231/01 in respect of the various types of crimes and, if that should not be the case, update the same.

The Supervisory Board does not assume direct responsibility for the management of the areas at risk which must be submitted to control and is therefore independent from the company areas, structure and staff who are responsible for the same.

Any issue which may interfere with supervision is notified to the Chairman of the Board of Directors and/or the General Manager with the aim to address it.

The Supervisory Board does not have the authority and duty to change company policies and procedures, but only to verify sufficiency thereof for the purposes of Legislative Decree 231/01. On the contrary, it is the duty of the Supervisory Board to propose adjustments to the Model as necessary to prevent behaviours which may induce perpetration of crimes, providing the management with recommendations and suggestions to strengthen it where it should be insufficient.

The Supervisory Board has in any case the authority and duty to recommend to the management amendments to the Model and the faculty to obtain information before a procedure concerning an activity at risk is established.

The Supervisory Board is granted:

- The possibility, resorting to autonomous representation powers, to enter into, amend and/or terminate professional engagements with third parties vested with specific competences as necessary for a better

Restricted Version ENG

execution of its own mandate;

- The availability of human and financial resources for the carrying out of its duties.

3.2 ACCESS POWERS

In the carrying out of its duties, the Supervisory Board is granted access, without limitation, to company information for purposes of investigation, analysis and control.

The Supervisory Board has the authority to access all company documents, both public and confidential, relating to its supervision activity and, more specifically:

- a) Company documentation;
- b) Documentation relating to contracts;
- c) Information or data relating to company personnel and, more in general, any kind of information or data even if confidential, without prejudice, of course, to privacy provisions;
- d) Data and transactions contained in financial statements;
- e) Company procedures;
- f) Strategic plans, budgets and, more in general, short, medium and long term business plans.

In case controls should concern personal and/or sensitive data, the Supervisory Board shall identify the best means to safeguard confidentiality thereof.

To attain its targets, the Supervisory Board may coordinate its activity with that of the Sole Auditor and external Auditors and be granted access to the results obtained by them, using the relevant information.

The Supervisory Board has the authority to physically access the areas under scrutiny, directly interview personnel and, to the extent necessary, conduct investigations on the existence of certain information and company assets.

3.3 COLLECTION AND STORAGE OF INFORMATION

Any information, indication and report provided for by the Model is stored by the Supervisory Board in an appropriate archive, on paper or by electronic means.

Except for lawful orders by public authorities, all data and information stored in the archive are rendered available to third parties other than the members of the Supervisory Board only with prior written consent of the latter and of the person responsible for the company division to which such data and information relate.

4. INFORMATION FLOWS

4.1. INFORMATION FLOWS FROM THE SUPERVISORY BOARD TO THE TOP MANAGEMENT

The Supervisory Board reports on the implementation of the Model, on the occurrence of critical aspects, if any, and communicates the outcome of the activities carried out within its duties.

The Supervisory Board reports to the Board of Directors on the activities carried out in compliance with the timeframes expressly provided for in the Model.

Namely:

- a) **On a continuous basis** vis-à-vis the General Manager, who then informs the Board of Directors in the context of the reporting duties connected to his/her powers;
- b) **On an annual basis** vis-à-vis the Board of Directors and the Sole Auditor. In such respect, a specific annual report evidencing activities carried out, the outcome of the investigations and legislative updates in terms of administrative liability of legal entities shall have to be prepared;
- c) **Immediately**, vis-à-vis the Chairman of the Board of Directors and the General Manager, whereby facts of specific relevance have been ascertained.

In particular, the Supervisory Board is obliged to periodically notify the Board of Directors with the following information:

- Reporting on the activities carried out in the period and results obtained, with the indication of issues that have arisen;
- Need to amend the Model on account of changes in organisation, operating and management procedures, systems of powers of attorney and legislation.

4.2. INFORMATION FLOWS FROM THE COMPANY DIVISIONS TO THE SUPERVISORY BOARD

The Supervisory Board has to be informed by the Addressees as to the existence of occurrences which may give rise to a responsibility of the Company under Legislative Decree 231/01.

In such respect:

- Each manager and head of division shall transmit every semester to the Supervisory Board, utilising the format under Annex E.3, a report on the Model implementation status in the activities and structures pertaining to him/her, with an indication of the most significant matters that have arisen in the period in respect of Legislative Decree 231/01 (such as, for example, tenders or other negotiations with the Public Administration for relevant amounts);
- At least once a year, the finance division shall render available to the Supervisory Board the minutes whereby the person entrusted with auditing (under Article 2409 *bis/ter* of the Italian Civil Code) has carried out its activity as to management of cash flows;
- Each manager and head of division shall promptly notify the Supervisory Board changes in organisation, operating and management procedures, systems of powers of attorney and other aspects that may imply amendments to the Model, utilising the format under Annex F.3;
- Each responsible or employee shall promptly report to the Supervisory Board all behaviours which do not comply with the principles and contents of the Model.

Those persons who will report in good faith the above behaviours are guaranteed against retaliation, discrimination or penalisation and their identity shall be protected. The above in any case without prejudice to mandatory law provisions and the protection of the rights of the Company or of the persons accused erroneously or out of bad faith.

4.3. OTHER INFORMATION FLOWS

a) Flows from the Supervisory Board to persons entrusted with control duties

At the end of every periodical inspection, the Supervisory Board notifies in writing the persons entrusted with control duties with the supervision activities to be carried out in the ensuing period.

b) Flows from persons entrusted with control duties to the Supervisory Board

The internal or external persons identified from time to time by the Supervisory Board to conduct controls promptly report to the same and, in any case, before the Supervisory Board has to report to the Board of Directors, supply the following information:

- o Periodical reports describing activity carried out in response to specific requests made by the Supervisory Board;
- o Notification of issues arisen;
- o Notification of the need to amend the Model, to the extent such amendments pertain to them.

c) Flows from the Supervisory Board to Company divisions and employees

Upon adoption of the Model, the Supervisory Board sees to the distribution of:

- o An information document describing requirements under Legislative Decree 231/01;
- o The Model;
- o The Code of Conduct.

The Head of Human Resources Department shall promptly distribute to all employees the documents received from the Supervisory Board.

Thereafter, any amendment to the documents listed above shall have to be circulated internally with the same means.

d) Flows from the Quality Health and Safety Manager to Company divisions

The Quality Health and Safety Manager has the duty to provide indications as to new legislative fulfilments concerning health and safety.

e) Flows from Company divisions to the Quality Health and Safety Manager

Company divisions that intend to propose changes to their organisational-production processes, which may have an impact on employees' health and safety, are obliged to request the prior authorisation to the Quality Health and Safety Manager. The latter shall evaluate whether to grant or deny authorisation for the changes to the processes and, if the case, update the risk assessment plan.

5. DISCIPLINARY SYSTEM

5.1. SCOPE OF THE DISCIPLINARY SYSTEM

The disciplinary system, that is the body of sanctions envisaged in case of failure to comply with the provisions of the Model, is a fundamental instrument to secure effectiveness and implementation of the Model.

Disciplinary sanctions apply regardless of the outcome of the criminal proceeding commenced, if any, for the facts that also constitute a breach of the Model.

Any disciplinary sanction must be proportioned to the allegation, taking into account both objective and subjective circumstances of the person's conduct. In applying the sanction, also the prejudice caused to the Company shall have to be considered.

5.2. SANCTIONS AGAINST EMPLOYEES

Behaviours adopted by employees in breach of the rules contained in this Model, besides violation of duties concerning accident prevention and workplace safety, are defined as **disciplinary offences**.

Sanctions applicable to such employees fall within the scope of those provided for by the applicable collective labour agreement (National Collective Labour Agreement for the Mechanical Industry and Plant Installation Industry dated December 5, 2012), without prejudice to the procedures established by Art. 7 of Law No. 300 of May 30, 1970 (Workers Act) and other special applicable rules, if any.

In relation to the above, the Model makes reference to the category of punishable acts as set forth by the existing system of sanctions, that is, the rules prescribed by the collective labour agreement currently in force.

Such categories describe punishable behaviours based on the relevance of each type of offence and the sanctions provided for each of them, taking also into account their seriousness.

More specifically, the Model establishes that:

- a) The employee that breaches internal procedures established by the Model (for example, fails to abide by the procedures, fails to transmit to the Supervisory Board the required information, fails to conduct controls, etc.) or adopts, in the carrying out of activities in areas at risk, behaviours not compliant with the provisions of the Model is liable of **verbal or written complaint**, being such behaviours "non-serious breaches of company rules";
- b) The employee that repeatedly breaches internal procedures established by the Model or repeatedly adopts, in the carrying out of activities in areas at risk, behaviours not compliant with the provisions of the Model, before any such actions have been singularly ascertained and imputed, is liable of **fine**, being such behaviours repeated perpetration of "non-serious breaches of company rules" before they have been singularly ascertained and imputed;
- c) The employee that, while breaching internal procedures established by the Model or adopting, in the carrying out of activities in areas at risk, behaviours not compliant with the provisions of the Model or acting against the interests of the Company, causes damage to the same or exposes the Company assets to an objectively dangerous situation is liable of **suspension from work and salary for a period of 1 to 10 days**, being such behaviours "serious breaches of company rules" since they are suitable to cause damage, jeopardise integrity of Company assets or are against the interests of the Company;
- d) The employee that adopts, in the carrying out of activities in areas at risk, behaviours not compliant with the provisions of the Model and unequivocally aimed at perpetrating a crime sanctioned by Legislative Decree 231/01 is liable of **dismissal without notice**, being such behaviours "acts which constitute an offence under the law".

The type and entity of each of the above applicable sanctions shall be based on:

- The wilfulness of the behaviour or the level of negligence, imprudence or incapability, also with respect to the foreseeability of the event;
- The global behaviour of the employee, with specific focus on the existence of disciplinary precedents, within the limits prescribed by law;

Restricted Version ENG

- The duties of the employee;
- The position within the Company of the persons involved in the facts that constitute a violation;
- Other specific circumstances which surround the disciplinary breach.

As far as the ascertainment of such breaches, disciplinary proceeding and application of sanctions are concerned, the powers already granted to the top management, within the limits of its competence, shall remain unchanged.

5.3. SANCTIONS AGAINST MANAGERS

Breach of the provisions contained in the Model may imply, in proportion to the gravity of facts and entity of damage caused to the Company, grounds for applying a disciplinary sanction provided for by applicable laws and contracts, besides dismissal for cause when mutual trust ceases.

In such respect, it has to be underlined that for managers the Company applies the National Collective Labour Agreement for Companies that supply Goods and Services as renewed on December 30, 2014.

5.4. SANCTIONS AGAINST DIRECTORS AND STATUTORY AUDITORS

In case the provisions of the Model are breached by one or more members of the Board of Directors or by the Sole Auditor, the Supervisory Board notifies thereof respectively the Sole Auditor and Board of Directors, so that the necessary measures, such as, for example, calling of the Shareholders' Meeting to resolve in line with what provided for by applicable laws, can be adopted.

5.5. MEASURES AGAINST THIRD PARTIES (CONSULTANTS AND PARTNERS)

Breach of the provisions contained in the Model by any of the Partners implies breach of contract and as such, in most serious cases, is liable to cause termination of the contract.

In any case, without prejudice to the right of the Company to be indemnified of damages suffered as a consequence of the violation of the Model.

5.6. PUBLICATION OF THE DISCIPLINARY SYSTEM

The disciplinary system established by the Model is adequately publicised, so that it is brought to the knowledge of every person concerned.

More specifically, in relation to employees, the publication methods provided for by applicable laws and collective labour agreements in force shall have to be observed. Namely, through the affixion in places freely accessible to such employees.

SPECIAL SECTION

ANNEX A – IDENTIFICATION OF THE AREAS AT RISK AND ADEQUACY OF THE MODEL

ANNEX A.1 – IDENTIFICATION OF THE AREAS AT RISK

Under the risk perspective, for a better evaluation of the level thereof, two aspects have been considered: in first instance, the relevance of the alleged offence to the Company activity and the related interests or advantages that the Company may obtain from the perpetration of the offence. In second instance, the level of impact on the Company in terms of sanctions.

Table 1 gives evidence of such aspects: at bottom left, Company risks that, although present, are of low level, while at top right main risks that require specific attention.

Such assessment is purely indicative, as there are many variable factors that cannot be predicted with sufficient certainty and depend from other people's personal evaluations.

Table 1 – Risk level chart

		Impact on the Company in terms of sanctions		
		LOW	MEDIUM	HIGH
Relevance of the offence to the Company activity	HIGH			
	MEDIUM			
	LOW			

The degree of formalisation of internal procedures contributes to the determination of the risk level. As a matter of fact, a high degree thereof generally ensures a lower risk.

In such regard, it has to be stressed as a general assumption, and thus in relation to all processes, that under the profile of procedural responsibilities it generally happens that operating aspects are taken care of by persons who are not those who actually should see to controls and supervision.

Furthermore, upon identification of areas at risk, has been considered the adoption by the Company of PS specific to each area of operations thereof. In particular, the PS currently adopted by the Company are the following:

- **Manual for integrated management system for quality, environment and health and safety;**
- **DVR:** PRS_01_11;
- **Education and training of the personnel:** PS PGI_07;
- **Legal prescriptions:** PGI_01;
- **Control of documents:** PGI_03;
- **Surveillance and measurement:** PGI_04 ;
- **Internal audits:** PGI_05
- **Supply management:** PGI_06
- **Education and training:** PGI_07
- **Environmental issues:** PGA 4.3.1
- **Objectives and programs management:** PGA 4.4.3
- **Waste management:** PGA 4.4.6-1

Restricted Version ENG

- **Dangerous substances management:** PGA 4.4.6-2
- **Maintenance management:** PGA 4.4.6-4
- **Prevention and reaction to emergencies:** PGA 4.4.7
- **Contract review:** PRO_03
- **Customer Satisfaction:** PRO_04
- **Control of records:** PGQA_02
- **Non compliances management:** PGQA_04
- **Remedial actions – customers complaints:** PGQA_05
- **Preventing activities:** PGQA_06
- **Suppliers evaluation:** PGQA_07
- **Supplies:** PRS_01_08
- **Personal safety devices (“DPI”):** PRS_02_08
- **Risk assessment:** PRS_03_08
- **Access to the plant:** PRS_04_08
- **Emergencies:** PRS_05_08
- **Vehicles access:** PRS_06_08
- **Dangerous substances and products:** PRS_08_08
- **Scheduled inspections:** PRS_09_08
- **New equipments:** PRS_10_08
- **Accidents:** PRS_10_11
- **Portable ladders:** PRS_11_08
- **Video terminal operators:** PRS_12_08
- **Electrical components:** PRS_20_08
- **Asbestos:** PRS_21_08

Upon identification of areas at risk, following completion by head offices of self-analysis questionnaires predisposed for the purpose of preparing the first Model draft, with reference to the offences described below, the situation turned out to be follows.

[FOR INTERNAL USE]

ANNEX A.2 – HEALTH AND SAFETY AT WORK RELATED OFFENCES (ARTICLE 25 SEPTIES OF LEGISLATIVE DECREE 231/01)

The Company is, at all times, engaged in the protection of employees' health and safety. It focuses on constant improvement and it privileges prevention.

In such perspective, the Company undertakes to:

- Comply with legislation and other instruments applicable to safety at work;
- Involve the entire structure in the active management of safety at work;
- Continuously improve the health and safety at work management and prevention system;
- Supply the necessary human resources and means;
- Cause the employees to be made aware and trained for the carrying out of their duties and assumption of

Restricted Version ENG

their responsibilities in terms of health and safety at work;

- Involve and consult with the employees, also through their health and safety representatives;
- Periodically review the existing policies and the management system then implemented;
- Define and spread internally the health and safety goals and the relevant implementation schemes;
- Constantly monitor safety at work, through assessments as to the attainment of goals and effectiveness of the system.

A brief description of offences contemplated by Article 25 *septies* of Legislative Decree 231/01 is set out below.

Involuntary murder (Article 589 of the Italian Criminal Code)

For the purposes of Legislative Decree 231/01, relevance is given to the conduct of someone involuntarily causing someone else's death through violation of safety rules at work.

Involuntary personal injuries (Article 590 of the Italian Criminal Code)

For the purposes of Legislative Decree 231/01, the relevant offence is that of involuntarily causing to third parties a serious or very serious personal injury through violation of safety rules at work. Injuries are those that cause an anatomical or functional alteration of the human body. The definition is very broad and also comprises damages to functional psychic activity. The offence of injury could also abstractedly be applied to behaviours adopted by the employer, colleagues or superiors at work to the detriment of the employee over a certain period of time, having vexatory and/or persecutory and/or discriminatory and/or unjustly punitive purposes or effects and implying a serious physical or psychic injury. In such context, relevance is given to both intrinsically unlawful behaviours (for example, insults, threats, unjustifiable denial of rights, etc.) and to behaviours which *per se* can be held legitimate (for example, transfers, disciplinary actions, denial/revocation of permits, etc.) but that, considering the means of perpetration or purposes sought can be held as having a damaging value against the employee (so called mobbing).

For the purposes of Legislative Decree 231/01, the offence of injury is that of serious or very serious personal injuries. Serious injuries are those that have endangered the life of a person or have caused an illness or incapability to perform his/her duties for a period of over 40 days or even the permanent weakening of a sense or organ. Very Serious injuries are instead those that imply the loss of a sense or of a limb or mutilation that renders the limb useless or the loss of use of an organ or of the capability to procreate or a permanent and serious difficulty of speech or, finally, disfigurement or permanent scar on the face. In both cases, a liability of persons responsible within the company for adopting and implementing prevention measures exists only to the extent there is causation between failure or lack of compliance and damaging event. As a consequence, causation (or, better, negligence on the part of the employer or responsible person) can lack in case injury occurs because of the negligent conduct of the employee, provided such conduct was unpredictable. Based on the above, causation can also exist when the event is the exact instance that the rule that has been breached intended to prevent. It has to be underlined that health and safety rules also aim at preventing the occurrence of damaging events to third parties that happen to be in the work environment, but are extraneous to the company organisation.

The employer is requested – under the general obligation provided for by Article 2087 of the Italian Civil Code and the Safety Consolidation Act – to adopt those measures that, based on the activity of the company, experience and state of the art, are necessary to protect the physical integrity and moral personality of employees, with specific focus on those aimed at preventing the occurrence of damaging events that – based on a general predictability criterion – are likely to occur. Therefore, upon the employer an obligation to adopt all protective measures prescribed by the best technology then available, regardless of costs, subsists. Where it cannot guarantee safety, the employer must interrupt activity or use of that equipment which is suitable to determine the dangerous situation. The entrepreneur must also exhaustively inform the employees as to situations of danger existing at work and measures aimed at preventing them.

Examples of conducts which embody the above described offences are:

- Failure to adopt the necessary instruments for protection of employees' health;
- Failure to adopt the necessary instruments for protection of safety at work;
- Failure to conduct - when necessary – controls on the correct use by employees of the instruments provided to them for protection of safety at work.

RISK FACTORS EXISTING IN THE COMPANY

[FOR INTERNAL USE]

Restricted Version ENG

GENERAL BEHAVIOUR PRINCIPLES

The Company – in its capacity as person responsible for the general protection of work environments established by Art. 2807 of the Italian Civil Code – has long since been compliant with the prescriptions of the Safety Consolidation Act. Prevention of injuries and protection of health and safety at work represent a fundamental issue for the Company, both for the benefit of its human resources and third parties. In such context, the Company also undertakes to prevent and punish behaviours and practices which may cause humiliation to the employee in his/her capabilities and professional expectations or cause emargination in the work environment, discredit or damage to his/her image.

THE ORGANISATIONAL SYSTEM

The Company has first of all created an organisational structure with duties and responsibilities in terms of health and safety at work. Such duties and responsibilities are formally established consistently with the Company's organisational chart, involving and promoting awareness with top management and employees. In first instance, a prevention system aimed at identifying organisational and operational duties of top management, responsables and employees with specific focus on safety activities pertaining to them has been established. In such context, of paramount importance is the role of the employer, defined by Article 2, Paragraph 1, Letter b), of the Safety Consolidation Act as "the person who entertains the work relationship with the employee or, in any case, the person that, based on the type and structure of the organisation where the employee carries out his/her activity, is vested with responsibility over such organisation or the relevant production unit, with decision making and expenditure powers".

Such person is the first and foremost addressee of the obligation of ensuring, complying with, and supervising over, the accident prevention measures and assumes all responsibilities connected to observance of health and safety at work.

In furtherance of Articles 17 and 32 of the Safety Consolidation Act, the Company has:

- Carried out an assessment of all risks, with ensuing preparation of the **DVR** in compliance with applicable laws;
- Appointed the QHSE;
- Appointed the competent doctor.

The Company as employer under the Safety Consolidation Act has not delegated any of the powers provided for in Article 18 of the Safety Consolidation Act.

The Company, as employer, provides the SPP and the competent doctor with information concerning:

- a) The type of risks;
- b) The work organisation, scheduling and implementation of prevention and protection measures;
- c) Description of equipment and production processes;
- d) When contracting or subcontracting, personal details and name of employer, or of the delegated managers, and information concerning occupational diseases;
- e) Measures adopted by supervisory bodies.

Within the Company organisation and in line with what established by the Safety Consolidation Act, each manager (identified as per Article 2, Letter d), of the Safety Consolidation Act), is vested with general supervision, control and prevention duties.

The QHSE, as provided for by Articles 17, 32 and following of the Safety Consolidation Act, has been identified by means of appointment letter signed by the employer.

The employer constantly supervises compliance by the QHSE with his/her duties. Such duties are, without limitation, evaluation of risk factors, identification of prevention measures, proposals of training programs for employees.

Pursuant to Article 38 of the Safety Consolidation Act, the competent doctor, specialised in occupational health, has been appointed by means of specific engagement subscribed by the Board of Directors in its capacity as "employer" of the Company.

The RLS, under Article 2, Lett. i), of the Safety Consolidation Act, is appointed by the internal trade union associations. The RLS has specific prerogatives and consultation/participation rights within the most important decision making processes in terms of health and safety at work and has supervision duties on initiatives undertaken in respect thereof by the Company (Article 50 of the Safety Consolidation Act).

Restricted Version ENG

In addition, further roles have been identified within the Company entrusted with implementing prevention and protection measures in terms of health and safety at work:

Rapid intervention: the team deals with first aid, fire prevention, emergency and evacuation.

Emergency plan: the Company individuated a number of responsables complying with the minimum number required by the applicable law, entrusted with implementing and causing the implementation of the protocol adopted by the Company for managing emergency situations, with specific reference to fire prevention and evacuation in case of serious and imminent danger at the Company's premises and environmental emergency.

First aid: the Company individuated a number of responsables complying with the minimum number required by the applicable law, entrusted with implementing the protocol adopted by the Company for managing first aid and medical emergencies.

All persons have been appointed with appropriate letter by the employer, or by the delegated managers, upon consultation with the RLS and underwent a medical examination so as to evaluate their conditions. They benefit from specific training. Each of them has the responsibility over the relevant equipment. Specialised service providers entrusted by the Company see to maintenance of such equipment.

PROCEDURAL PROTOCOLS

The system for controlling health and safety risks existing within the Company is integrated with internal management processes. More specifically, the Company has implemented specific standard procedural protocols in terms of health and safety at work, preparing them on the basis of applicable laws and, as anticipated, has already obtained the British Standard OHSAS 18001 qualification. While preparing such protocols, the Company has paid attention to the need to ensure compliance with the following principles:

- Identification and traceability, through orders and powers of attorney granted by competent persons, of responsibilities in terms of health and safety at work, with specific reference to the employer, or the delegated managers, the QHSE, the competent doctor, rapid intervention, emergency and first aid teams and the RLS. Such responsibilities are promptly communicated to third parties concerned (Local Health Authority, Labour Department, etc.);
- Express appointment of the competent doctor, who must formally accept the engagement;
- Structuring and updating of information flows towards the competent doctor in relation to processes and risks connected to Company activities;
- Identification and assessment of health and safety risks for employees by the employer (also through the SPP and the competent doctor), taking into adequate consideration the corporate structure, the type of activity, the location of premises and work areas, personnel organisation specific substances, equipment and machines used and relevant work cycles. The risk assessment is documented through the preparation of the DVR (such document is also signed by the RLS);
- Adoption of an adequate fire prevention and evacuation system;
- Updating of the fire DVR in work areas by the employer with the help of the SPP;
- Conduction of periodical environmental analyses;
- Preparation of an internal medical plan aimed at ensuring implementation of new measures necessary to guarantee protection of employees' health;
- Definition, implementation and monitoring of an information, training and involvement program in terms of health and safety which may punctually inform employees through indication of: roles and responsibilities; type of courses offered and scheduling thereof; different training programs based on the people involved; means of transmission of documents; and annual training plan;
- Implementation of an information flow system that will allow circulation of information within the Company in order to facilitate involvement and awareness of Addressees and ensure prompt reporting of deficiencies or breaches of the Model;
- Support by the RLS, also by accessing relevant Company information and documentation, of compliance with safety and protection measures;
- Periodical Monitoring of the effectiveness of the existing prevention and protection measures, so as to identify possibilities of improvement;
- As to management of first aid and injuries, clear identification of roles and duties of all employees when accidents and/or injuries occur or structural and organisational deficiencies, which may have an impact on

Restricted Version ENG

safety, are found;

- Creation of a chronological reporting system of injuries and/or accidents occurred;
- Codification and information as to prohibition to smoke in all work environments, supervision and control thereon;
- Codification and information as to prohibition for employees not adequately instructed or authorised to access areas which may expose them to serious and specific risks;
- Codification and information as to prohibition to request that employees, except for duly motivated cases, resume work where a serious and imminent danger situation exists;
- During internal or external transfers, both with own or Company means, compliance with all precautions in terms of health and safety at work (for example, regular maintenance of vehicles, road signs, regular insurance coverage, use of general or individual protection devices, etc.);
- Securing of the ordinary and extraordinary maintenance of safety devices. Premises, equipment, machinery and instruments have to be submitted to scheduled maintenance, as prescribed by manufacturers, and records must be kept of all interventions;
- While selecting suppliers, request an evaluation of safety at work costs, where applicable. Such items must be clearly indicated in contracts and cannot be reduced;
- Awarding, supervision, management and monitoring of construction or supply contracts, even without on site activities, in compliance with specific codified rules. While awarding a contract, internal procedures must provide for, before commencement of works, a prior examination of documents and activities concerning safety attached to the contract, so that they be compliant with applicable laws and rules and all relevant fulfilments be taken care of;
- Compliance of the health and safety at work management system with the highest quality requirements acknowledged at national and international level, with specific reference to OHSAS 18001, as well as ISO 9001 and ISO 14001 requirements;
- Definition and implementation of a control system suitable to guarantee constant recording, also through the drafting of specific minutes, of controls conducted by the Company in terms of health and safety at work. Implementation of corrective actions;
- Scheduling of an assessment phase of the functionality of the system, taking also into consideration an *ex post* evaluation of measures previously adopted by the Company. Implementation of corrective actions and integrations, if any.

The Company reserves itself the right to supplement and update the principles described in this paragraph and procedural protocols, whenever it should deem it necessary in order to guarantee health and safety at work.

The most relevant documents prepared within the Company – by the Board of Directors, with the help of the QHSE and where appropriate by the competent doctor and with consultation of the RLS – in terms of health and safety at work are the following:

- a) The DVR (Articles 28 and 29 of the Safety Consolidation Act);
- b) Emergency plan (Article 43, Paragraph 1, letter d), of the Safety Consolidation Act);
- c) Minutes of the periodical risk prevention and protection meeting;
- d) With reference to Law No. 3/2003, the Company has furthermore identified several persons for the purposes of verifying compliance with no smoking policies. Their duties are:
 - Supervision over the application of the prohibition within the Company;
 - Ascertainment of breaches, in respect of which administrative (pecuniary) sanctions are provided by the law against perpetrators and, in the most serious cases, disciplinary sanctions under the applicable collective labour agreement;
 - Notification of the ascertainment to competent authorities.
- e) Within the Company's health and safety activities, there is a **Reception Service**, entrusted with verifying identity of visitors and issuing passes, managed by the Company's personnel.

INFORMATION AND TRAINING

Restricted Version ENG

Personnel information and training on health and safety at work represent a fundamental element for the effectiveness and adequacy of the prevention system implemented by the Company. Carrying out duties that may impact on health and safety at work implies adequate personnel training, to be verified and fed continuously so that every person at every level is aware of the importance that his/her actions be always compliant with the Model and of the possible consequences if that should not happen.

To such ends, the Company ensures that every person obtain sufficient and adequate training in respect of his/her duty. Training is provided upon hiring, transfer or change of duties and when new equipment, technologies, substances and hazardous matters are introduced, and also when necessary on the basis of periodical requirements.

The Company avails itself of specific information and training plans which indicate in detail the matters under discussion, as provided for by the Safety Consolidation Act, the Addressees, the persons responsible for implementation, deadlines and Company priorities.

In addition to that, training courses are documented through compilation of specific forms (records of attendees, test material, also in order to verify the comprehension of the Italian language by immigrant employees).

PREVENTION AND MONITORING ACTIVITY BY THE SUPERVISORY BOARD

In light of the fact that Article 6, Paragraph 2, Letter d), of Legislative Decree 231/01, imposes the insertion in the Model of information undertakings *vis-à-vis* the Supervisory Board, also aspects connected to Article 25 *septies* – concerning hypotheses of involuntary murder and serious or very serious injuries under Articles 589 and 590, Paragraph 3, of the Italian Criminal Code perpetrated through violation of health and safety rules at work - are considered in this Model.

As a consequence, to avoid such instances upon the Company, the obligation to have a structured information flow is seen as an instrument able to guarantee supervision on the effectiveness of the Model and, if the case, assess causes that have rendered possible the occurrence of the above described offences set forth by Legislative Decree 231/01 (see also Paragraph 3 of the General Section).

At corporate level, the QHSE shall thus bring to the attention of the Supervisory Board any amendment and/or update of the documents related to management of safety at work and, more specifically:

- The DVR;
- The Emergency Plan;
- The procedures applied by offices concerned by health and safety at work.

On an annual basis, the QHSE shall transmit to the Supervisory Board the minutes related to the periodical meetings for risk prevention and protection (Article 35 of Legislative decree No. 81/2008), environmental analyses, reports of on site surveys and data concerning injuries, if any, occurred within the Company. The QHSE also provides the Supervisory Board with data concerning the so called "near-injuries", that is all those occurrences that even though they have not caused damaging events for employees, can be considered signals of weaknesses and failures of the health and safety system, thus adopting the necessary measures for testing protocols and procedures.

From the organisational perspective, the Supervisory Board shall be provided by the human resources responsible with prior communications as to the existence of updates connected to the responsibilities entrusted to this day under the Safety Consolidation Act, including those concerning other persons that have an active role in the Company as to health and safety activities. Besides the above described information flows, every year the Supervisory Board shall interview the QHSE on his/her activities and aspects generally connected to scheduling of those interventions requested by the Company's health and safety rules, taking also into account the internal safety monitoring plan.

In addition, the Supervisory Board shall have to be immediately informed by the QHSE and the human resources responsible as to work injuries, if any, or actions started by the judicial authority or other authorities in terms of health and safety.

The Supervisory Board also has the following duties:

- Supervision over compliance with, and adequacy of, the Model, including the Code of Conduct and Company PS in terms of health and safety at work;
- Evaluation of notices claiming alleged breaches to the Model, including those notices not promptly acknowledged by competent persons as to possible deficiencies and inadequacies of places, equipment and protection devices, or concerning a dangerous situation connected to health and safety at work;
- Enactment and updating of standard instructions concerning homogeneous and consistent compilation of forms by the persons responsible for areas at risk. Such instructions shall be in writing and be stored in paper or

Restricted Version ENG

electronic form;

- Monitoring effectiveness of the global prevention system adopted by the Company in the field of health and safety at work, in its capacity as body vested with objectivity, impartiality and independence;
- Communication to the Board of Directors or to the competent internal offices of the amendments to the Model, the prevention system adopted by the Company and to existing procedures which may be necessary or appropriate in light of deficiencies or following significant changes in the organisational structure of the Company.

The Supervisory Board shall have to communicate to the Board of Directors and to the Sole Auditor, as prescribed by the Model, the results of its supervision and control activities.

ANNEX A.3 – CORPORATE OFFENCES AND MARKET ABUSES

The Company's conduct is inspired by observance of behaviour principles aimed at securing integrity of corporate capital, protection of creditors and third parties that entertain relationships with the Company.

As a consequence, the Company guarantees spreading of, and compliance with, rules that safeguard the above principles, also for the purposes of preventing perpetration of crimes indicated in Article 25 *ter* of Legislative Decree 231/01, such as:

- False company information (Article 2621 and 2621 *bis* of the Italian Civil Code);
- False company information to the detriment of the company, the Shareholders or the creditors (Article 2622 of the Italian Civil Code);
- False accounting (Article 2623, Paragraphs 1 and 2, of the Italian Civil Code);
- Hindrance to controls (Article 2625, Paragraph 2, of the Italian Civil Code);
- Fictitious corporate capital formation (Article 2632 of the Italian Civil Code);
- Undue restitution of corporate capital (Article 2626 of the Italian Civil Code);
- Illegal distribution of profits or reserves (Article 2627 of the Italian Civil Code);
- Illegal transactions concerning company shares or quotas of the holding company (Article 2628 of the Italian Civil Code);
- Transactions causing prejudice to creditors (Article 2629 of the Italian Civil Code);
- Failure to inform about conflicts of interest (Article 2629 *bis* of the Italian Civil Code);
- Private corruption (Article 2635, paragraph III, of the Italian Civil Code)
- Illegitimate influence over Shareholders' Meeting (Article 2636 of the Italian Civil Code);
- Agiotage (Article 2637 of the Italian Civil Code);
- Preventing public supervisory authorities from performing their duties (Article 2638 of the Italian Civil Code);
- Insider trading (Article 184 of Consolidation Act No. 58/98);
- Market manipulation (Article 185 of Consolidation Act No. 58/98).

RISK FACTORS EXISTING IN COMPANY

[FOR INTERNAL USE]

GENERAL BEHAVIOUR PRINCIPLES

The Addressees specifically concerned by the above types of offences are to adopt a correct, transparent and cooperative stance, in compliance with applicable laws and internal procedures, in all activities aimed at preparation of financial statements and all other company information specified by legislation and directed to Shareholders and the public, so as to provide the Shareholders and third parties with true and correct information on the financial situation of the Company. Such persons are also obliged to fully comply with those prescriptions which aim at maintaining the integrity of the share capital and always act by the internal procedures on which such prescriptions are grounded, so as not to prejudice Shareholders' interest, creditors' and third parties' in general reliance.

Restricted Version ENG

Within the above behaviours, there is a specific prohibition to:

- Return contributions to Shareholders or discharge them from the obligation to make them, outside of those cases of legitimate reduction of the registered capital;
- Distribute profits or advances on profits not actually made or destined by the law to legal reserves;
- Purchase or subscribe quotas in the Company outside of those cases provided for by the law, thus prejudicing the integrity of the registered capital;
- Reduce the registered capital, resolve upon mergers or demergers in violation of those provisions set aside for the protection of creditors;
- Proceed to fictitious recapitalisation or registered capital increases, attributing quotas for values lower than par value upon registered capital increase.

The Company ensures regular operations of the Company and of corporate bodies, securing and facilitating every kind of supervision on Company management as provided for by the law, besides free and correct formation of collegiate will.

To such aim, the Addressees shall:

- a) Refrain from adopting behaviours liable to prevent, through the occultation of documents or use of other fraudulent means, or hinder the supervision and control activity to be carried out by the Sole Auditor and the external Auditor, besides Shareholders' rights set forth by applicable laws and Company By-laws;
- b) Refrain from perpetrating simulated or fraudulent actions aimed at altering the correct formation of collegiate will.

The above stated, in the hypothesis under letter a) above, the Sole Auditor and the external Auditor, to the extent such events occur, shall immediately inform thereof the Supervisory Board.

In the hypothesis under letter b) above, the Company, acting through the competent offices, requires that necessary controls in terms of documents and lawfulness of attendees be carried out during Shareholders' meetings.

Should the Company undergo liquidation, the relevant activities shall be conducted with the aim to preserve the interests of the Company creditors.

It is thus forbidden to subtract corporate assets from creditors. These cannot be apportioned between the Shareholders before creditors have been satisfied or equivalent funds allocated for their satisfaction.

Moreover, it is forbidden for Addressees that act in the name and on behalf of the Company to:

- Relate untrue statements;
- Omit information the communication of which is required by the law or by the financial situation of the Company;
- Hide data or information so as to mislead the addressees of the same;
- Prevent or in any case hinder control and auditing activities.

PREVENTION AND MONITORING ACTIVITY BY THE SUPERVISORY BOARD

In relation to financial statements and other Company information, in light of the fact that they are audited by an external Auditor, the duties of the Supervisory Board are limited to:

- Monitoring the effectiveness of internal procedures and corporate governance rules for the prevention of offences like communication of false Company information;
- Examining the reports, if any, coming from supervisory bodies or employees and ordering the necessary assessments;
- Verifying the effective independency of the external Auditor.

Furthermore, as to other areas at risk, the duties of the Supervisory Board are as follows:

- Periodically verifying compliance with internal procedures and corporate governance rules;
- Examining the reports, if any, coming from supervisory bodies or employees and ordering the necessary assessments.

ANNEX A.4 – ENVIRONMENTAL OFFENCES

The Company promotes ecological sustainability in all its activities and properties, for the benefit of future generations, also in accordance with ISO 14001 requirements.

The Company complies with expectations of users and employees on all environmental aspects. The above, also for the purpose of preventing the perpetration of crimes such as illegal waste dumping (Article 192 of the Environment Consolidation Act), that is uncontrolled abandonment and disposal of waste on and in the soil, besides discharge of any kind of waste, liquid or solid, in ground and surface water.

Article 192 of the Environment Consolidation Act establishes that "if the responsibility of the offence is attributable to Directors or representatives of a company", the company is jointly and severally liable under Legislative Decree 231/01.

It has to be added that the Italian Law no. 68 on May 22, 2015 "Provisions concerning crimes against the environment" introduced within the Environment Consolidation Act a new section dedicated to the sanctions to be inflicted to the company for this kind of crimes and introduced within the Italian Penal Code the new section VI-bis named "Crimes against environment". Environmental offences relevant for the Company and falling within the scope of Legislative Decree 231/01 are now, without limitation:

Article 29 *quaterdecies* of the Environment Consolidation Act – unauthorised exercise of industrial activities;

Article 137 of the Environment Consolidation Act – unauthorised new discharges of hazardous liquids;

Article 258 of the Environment Consolidation Act – forgery of certificates;

Article 8 of Legislative Decree No. 202/2007 – fraudulent pollution;

Article 9 of Legislative Decree No. 202/2007 – negligent pollution.

RISK FACTORS EXISTING IN THE COMPANY

[FOR INTERNAL USE]

GENERAL BEHAVIOUR PRINCIPLES

Besides abiding by applicable laws and behaviour principles indicated in the Code of Conduct and specified in the General Section of this Model, the Addressees shall comply with the behaviour protocols described herein below, aimed at preventing the perpetration of the above offences.

Behaviour protocols provide for specific obligations and/or prohibitions which the Addressees must observe. Their conduct must be in line with the sensitive activities outlined above. The protocols refer to, and if the case integrate, the rules of the Code of Conduct and of the General Section of this Model. On the basis of specific contractual obligations, the captioned principles also apply to the external parties involved.

Specific obligations

All "management" activities (collection, temporary storage, transport and disposal of Company waste, such as paper, toners, hardware and other electrical and electronic components, food, vegetation, aluminium, plastic, glass, hazardous or toxic waste), even if carried out by third parties (suppliers, cleaning services providers, green maintenance companies appointed by the Company) have to be carried out in compliance with applicable laws, the rules of the Code of Conduct, behaviour principles listed in the General and Special Sections of the Model and protocols (and further internal procedures, if any) set aside for the protection of areas at risk. In such respect, persons responsible for "management" of Company waste (both internal by power of attorney and external by contract) have been identified and formally appointed, with express assumption by them of all connected responsibilities.

Specific prohibitions

There is an express prohibition for Addressees to adopt behaviours liable to constitute, even if potentially, even in the guise of joint action and attempt, the above offences.

More specifically, it is prohibited to abandon or unlawfully dispose of waste on and in the soil, besides unlawfully discharging any kind of waste, liquid or solid, in ground and surface water.

Generally, it is expressly forbidden to Addressees to:

- commit, cooperate or cause the commission of acts such as to integrate environmental crimes;
- commit, cooperate or cause the commission of acts which, although it does not in itself constitute cases of offense falling within those considered above, may potentially become so;

Restricted Version ENG

- use also occasionally the Company or one of its units in order to permit or facilitate the commission of offenses referred to in this Special Section.

PREVENTION AND MONITORING ACTIVITY BY THE SUPERVISORY BOARD

So as to provide the Supervisory Board with the correct instruments for carrying out monitoring and punctual supervision of the effectiveness of the controls set forth by the Model and, in particular, by this Special Section, the Addressees shall abide by the Information Flows Chapter contained in the General Section of this Model (see Paragraph 3 of the General Section). Regardless of all other reporting obligations, all persons concerned are asked to report the occurrence of events connected to areas at risk and solicit controls.

ANNEX A.5 – GENERAL BEHAVIOUR PRINCIPLES FOR POTENTIALLY MEDIUM-LOW RISK COMMITTABLE OFFENCES

As anticipated at Paragraph 2.7, the present Annex addresses offences for which, within the Company, there can only be a potential risk. Namely:

- Computer crimes;
- Crimes against the Public Administration;
- Receipt of stolen goods, money laundering and self-money laundering;
- Terrorism;
- Crimes against personal freedom;
- Transnational criminal organisations, traffic of migrants, money laundering, hindrance to international justice;
- Crimes against industry and trade;
- Hiring of non-EU citizen with irregular permit of stay.

In such respect, the Model provides for an express prohibition to all Addressees as per Paragraph 1.4 of the General Section to adopt behaviours:

- Liable to constitute the above described offences (even though in the guise of attempt);
- Which, although *per se* do not constitute offences included in the above, may potentially become such;
- Which do not comply with Company procedures or, in any case, are not in line with the principles outlined in the Model and in the Code of Conduct.

Therefore, all Addressees of the Model shall:

- Adopt a correct, transparent and cooperative stance, as prescribed by applicable laws, the Code of Conduct, the principles expressed in the Model and Company procedures;
- Avoid acting or causing behaviours that directly or indirectly may constitute the offences outlined above;
- Carry out Company activities in compliance with national and international applicable laws;
- Adopt a conduct aimed at securing regular operations within the Company, ensuring and facilitating every form of management control by the supervisory bodies;
- Constantly apply the provisions of this Model, of the Code of Conduct and of the internal rules, with specific regard to SP, and keep up to date with legislative evolutions;
- Ensure that no contractual relationship is entered into with public authorities, companies or entities that do not intend to abide by the Company's ethical principles;
- Ascertain the identity of commercial counterparties, be it companies or individuals, public or private persons, and of persons acting on their behalf.

Those persons which, in carrying out their activity within the Company, are in the position to manage areas at risk, shall communicate to the Supervisory Board issues and facts, if any, that have arisen.

COMPUTER CRIMES

Restricted Version ENG

In addition to all principles outlined above, for the purposes of preventing computer crimes all Addressees are asked to comply with applicable prevention instruments and behaviour rules and, namely, are obliged to follow computer security rules and policies issued for the purpose of protecting information.

In particular, it is expressly forbidden to:

- Perpetrate conducts, also with the aid of third parties, aimed at accessing other people's computer for the purpose of:
 - (i) Unduly acquiring information contained thereof;
 - (ii) Altering, damaging, destroying data contained thereof;
 - (iii) Unduly using access codes to computer and media systems and spreading the same;
- Install or use on Company PCs/Servers programs other than those expressly authorised;
- Spread through the Company intranet unlawful programs or viruses with the goal of damaging public or private persons;
- Intercept communications by public or private persons with the goal of acquiring confidential marketing or industrial information;
- Install devices for telephone and radio interception of public or private persons with the goal of acquiring confidential marketing or industrial information;
- Hold and unlawfully spread access codes to computer and media systems of third parties or public authorities;
- Make unauthorised alterations to computer programs with the goal of damaging public or private persons;
- Bypass or try to bypass Company security mechanisms (Antivirus, Firewall, proxy server,...);
- Abandon own Personal Computers unblocked and unguarded;
- Disclose own authentication credentials (user name and password) for the Company intranet;
- Access the Company intranet and programs with an identification code other than the one assigned.

The Company's external ICT Responsible, with the aid of the competent internal Company offices, ensures the necessary actions for:

- Assessing network and Company computer systems security;
- Identifying potential weaknesses of the IT control system;
- Monitoring and carrying out the necessary activities for managing accesses to computer systems by third parties within existing contractual relationships;
- Monitoring the correct application of all actions necessary for tackling computer crimes and offences related to handling of data, as prescribed by Legislative Decree 231/01.

CRIMES AGAINST THE PUBLIC ADMINISTRATION

Such responsibilities are not believed to be of concern for the Company. As a matter of fact, the Company does not entertain as of this date relationships with the Public Administration. The above taking also into account that such conducts would mainly be committed in the exclusive interest of the perpetrator and not of the Company (for example, extortion, bribery). At present, the Company does not benefit nor does it deem that it will benefit in the future of substantial incentives or facilitations by the State and other public entities.

For the purpose of avoiding perpetration of offences like embezzlement to the detriment of the State, theft of public funds, fraud against the State, extortion and bribery, the Company deems to be able to adopt the following control and prevention measures:

- Spreading the Code of Conduct to all employees;
- Organising a periodical information/training program for employees of divisions potentially concerned;
- Enhancing responsibility of offices competent for filing applications versus the Public Administration;
- Enhancing responsibility of offices competent for contracting with the Public Administration;
- Providing for a specific hierarchical supervision activity on documents to be filed with the Public Administration;
- Carrying out by the Supervisory Board of frequent controls, also by samples, on manufacturing processes involving existing relationships with the Public Administration;
- Strictly applying sanctions in case of violations.

Restricted Version ENG

The behaviour principles set by the Company directly apply to Directors, managers and employees, all of which are subject to the fulfilment of the all the applicable PS, the regulations and policies.

In particular, it is expressly forbidden to:

- a) Adopt behaviours liable to constitute the offences identified by Articles 24 and 25 of Legislative Decree 231/01;
- b) Adopt behaviours which, although *per se* do not constitute offences included in the above, may potentially become such;
- c) Create a conflict of interest situation with the Public Administration in relation to the captioned offences.

Within the above behaviours, it is prohibited to:

- Make payments to public officers;
- Distribute homages and presents beyond the rules prescribed by the Code of Conduct and Company practice, unless of modest value. More specifically, any kind of present to public officers or relatives thereof which may influence independence of judgment or procure any advantage to the Company is strictly forbidden. Record must be kept of any present offered so as to allow the necessary controls;
- Afford any other advantage whatsoever (undertaking to hire, undertaking to purchase from relatives of the public officer, etc.) in favour of representatives of the Public Administration which may lead them to favourable treatment to the benefit of the Company;
- Pay compensation to external collaborators which does not find justification in the nature of the engagement or local practice;
- File untrue declarations with national or European institutions for obtaining funds, contributions or grants;
- Use amounts obtained from national or European institutions in the guise of funds, contributions or grants for purposes other than those for which they were intended.

For the purpose of implementing the above behaviours:

- a) The persons entertaining relationships with the Public Administration on behalf of the Company shall have to be formally entrusted with specific powers of attorney if employees or members of corporate bodies, otherwise with specific provisions in the consultancy or partnership agreements;
- b) Payments in cash shall have to be limited in number and for a maximum aggregate amount of Euro 500.00. They shall also have to be properly documented and monitored. No payments are to be made in kind;
- c) Declarations to national or European institutions for obtaining funds, contributions or grants must contain exclusively true statements. If awarded, records must be kept;
- d) Those that carry out supervision and control activities on fulfilments connected thereto (payment of invoices, allocation of funds obtained from the State or European institutions) must pay specific attention to such fulfilments and immediately report to The Supervisory Board anomalies, if any.

RECEIPT OF STOLEN GOODS, MONEY LAUNDERING, SELF-MONEY LAUNDERING

For the purposes of preventing perpetration of offences like money laundering, self-money laundering and receipt and use of stolen goods or valuables, all Addressees, each as far as it is concerned, shall comply with the prevention instruments and behaviour rules indicated herein below:

- Strict compliance with purchase/sale procedures;
- Payment by customers has to be made through the credit institution thereof whereby it is always possible to identify the person who ordered the transaction;
- Prohibition to make payments to secret accounts or accounts whereby it is not possible to clearly ascertain the identity of the account holder. As a consequence:
 - Payments are not to be made with means that do not guarantee traceability (in cash or in kind);
 - It is prohibited to open or use, in any manner whatsoever, accounts having anonymous, fictitious or secret holders;
 - It is prohibited to order wire transfers to countries other than the ones where the orders originated;
 - It is prohibited to issue bank and postal cheques with no indication of the name of the beneficiary and without the caption "non transferrable";
 - It is prohibited to make endorsements for collection of bank and postal cheques unless in favour of the bank.

Restricted Version ENG

TERRORISM, TRANSNATIONAL CRIMINAL ORGANISATIONS, CRIMES AGAINST PERSONAL FREEDOM, HIRING OF NON-EU CITIZEN WITH IRREGULAR PERMIT OF STAY

Besides complying with the general principles of the Model, previously quoted at the beginning of this Annex A.5, all Addressees shall also have to abide by the prevention instruments and behaviour rules indicated herein below so as to ensure prevention of transnational crimes for purposes of terrorism and aggression to personal freedom. Namely:

- Adopt computer instruments suitable to prevent access and/or reception of material related to underage pornography;
- Set forth clear and unmistakable rules governing the use of computer instruments by employees;
- Evaluate and discipline with particular attention and care direct and/or indirect organisation of trips or periods abroad with specific focus on places known for the "sex tourism" phenomenon;
- Pay specific attention while evaluating possible commercial partnerships or investments in companies operating in fields that have any kind of contact with the offences provided for by Articles 25 *quater* and 25 *quinquies*;
- Diligently carry out evaluations on clients/suppliers based on the relevance of existing economic relationships, documents, data and information obtained, if the case, from reliable and independent sources;
- Adopt an adequate system of disciplinary sanctions which also takes into account the seriousness of the above violations;
- Hiring of non-eu citizens already staying in Italy only with regular permit of stay, enabling to have a job, in compliance with the applicable laws.

The Company ensures spreading and observance of behaviour principles aimed at safeguarding ordinary course of industry and commerce, also for the purposes of preventing the perpetration of those crimes contemplated by Article 25 *bis*, Paragraph 1, of Legislative Decree 231/01, such as:

- Interference with freedom of industry and trade (Article 513 of the Italian Criminal Code);
- Fraudulent interference in trade activities (Article 515 of the Italian Criminal Code);
- Sale of industrial products under false tradenames (Article 517 of the Italian Criminal Code);
- Fabrication and trade in goods manufactured through appropriation of intellectual property rights (Article 517 *ter* of the Italian Criminal Code);
- Unfair competition with threats or violence (Article 513 of the Italian Criminal Code);
- Fraud against national industries (Article 514 of the Italian Criminal Code).

CRIMES AGAINST INDUSTRY AND TRADE

Such crimes are hardly committable by the Company, given that the latter does not market at national and international level other people's intellectual property or products vested with other people's trademarks or tradenames.

In any case, even though potentially, all persons working for the Company could perpetrate such offences, regardless of their duties and/or functions.

As a consequence, in addition to general principles established in the Model, reference to which is hereby made, all Addressees are required to adopt the following behaviour rules in all their dealings on behalf of the Company.

All the above persons shall refrain from:

- Perpetrating, collaborating in or causing the perpetration of behaviours liable to constitute the types of offences mentioned in Annex 5 of this Special Section, "Crimes against Industry and trade";
- Perpetrating, collaborating in or causing the perpetration of behaviours which, although *per se* do not constitute offences included in the above, may potentially become such.

Responsible persons for each area at risk are those responsible for the divisions where the activities are carried out, the members of the Board of Directors and the managers.

The responsible persons shall bring to the attention of the Supervisory Board also through specific forms annexed under Annex E.3:

- Acknowledgement by responsible persons and their subordinates that they are fully aware of the processes and obligations to be complied with, in pursuance of Legislative Decree 231/01;
- The list of main fulfilments achieved while supervising and controlling.

Restricted Version ENG

PREVENTION AND MONITORING ACTIVITY BY THE SUPERVISORY BOARD

Without prejudice to the discretionary power of the Supervisory Board to act by means of specific controls based on indications received, it shall carry out periodical sample controls on sensitive activities, aimed at verifying correct implementation of the principles outlined in this Model and, more specifically, the existing PS.

To such aim, it is hereby reaffirmed that the Supervisory Board will be afforded free access to all relevant Company documentation.

Of the outcome of such controls, the Supervisory Board will primarily report to the Managing Director.

In particular, The Supervisory Board shall:

- a) Verify that the Company adopt and update standard procedures in terms of:
 - Homogeneous and consistent compilation of documents relating to areas at risk by internal responsables;
 - Stances to be taken within areas at risk and, more in general, in relationships with the Public Administration;
 - The limits within which it is not necessary that internal responsible compile documents relating to areas at risk;
- b) Periodically verify the system of powers of attorney in force, recommending amendments when management powers and/or duties do not correspond to the representation powers conferred to the internal responsible or sub-responsible;
- c) Periodically verify, with the support of the other competent Company divisions, effectiveness of procedures aimed at:
 - Observance by the Addressees of the provisions of Legislative Decree 231/01;
 - Allowing the Company to carry out effective control actions in respect of the Addressees so as to verify compliance with the provisions of the Model;
 - Implementing sanction mechanisms when such provisions are breached;
- d) Verify compliance with, and correct application of, sensitive procedures prescriptions by all personnel;
- e) Indicate to the management the appropriate integrations to be made to management systems of financial resources already existing within the Company, introducing methods for detecting the existence of anomalous financial flows vested with higher discretionality margins as opposed to normal procedures.

ANNEX B – CODE OF CONDUCT

In the carrying out of its activities, the Company resorts to ethical principles stemming from a consolidated experience of individual and collective values applied constantly within the Group.

The Code of Conduct and the Business Ethic Directive, official documents approved by the Group and inserted amongst the documents which constitute the Model, have to be seen in such context. They contain the sum of rights and duties of the people working for the Group and an indication of responsibilities (behaviour principles) versus third parties.

The Code of Conduct and the Business Ethic Directive constitute an integral part of the Model.

Every person working for the Group has to comply with the behaviours prescribed by the Code of Conduct and the Business Ethic Directive.

The Code of Conduct

The purpose of this Code of Conduct is to set principles and rules governing behaviour which every Group employee, whatever their level of responsibility, must know and apply, according to the legislative and regulatory framework applicable in their country. This Code is not intended to cover every situation, but rather provide a clear vision of Fives' fundamental values. It is based on the Group's social responsibility policy, which particularly includes Fives' commitment to the principles of the U.N. Global Compact (The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption (www.unglobalcompact.org)).

This Code applies without exception to all Group Companies. All Group employees must convey these values in their professional relationships.

This Code was drawn up on the understanding that all employees are committed to these values and will make them known, explain their content and defend them if necessary.

1. Respect for people, property and the image of the Company and Fives

Respect for people

It is a Group principle to reject any form of discrimination, especially in relation to gender, age, race, social and cultural background, disability, political and religious opinions, as well as in relation to union activities, to recognize and accept differences and reject stereotypes and prejudices and, finally, to have respect for private affairs.

The proper fulfilment of the Group's activities also depends on every employee working in a work environment free of any moral or sexual harassment.

Every employee must ensure that their actions do not infringe the rights and dignity of their colleagues. Everyone must be aware that this type of behaviour is prohibited.

All employees must make these principles central to the way they approach their internal and external professional relationships.

Respect for property

Respect for property belonging to the Group, both tangible (buildings, installations, machines, vehicles, IT and communications equipment, supplies, etc.) and intangible (industrial property, know-how, etc.) is vital to the prosperity which benefits every employee. It is therefore everyone's duty to protect and preserve this property against damage, theft or misappropriation, and especially not use it for personal purposes, unless explicitly permitted.

Respect for the Group's image

Since the quality of Fives' image and that of each Company, as well as the reputation of their products and services, is one of the conditions for their growth, employees must refrain from any act that could harm this image or reputation.

2. Respect for health, safety and the environment

Health and safety

The health and safety of Group employees is a major priority for Fives. All employees must contribute to the compliance with obligations relating to protection of life, health and safety, within the scope of their own responsibility.

Respect for the environment

Restricted Version ENG

All employees must comply with environmental protection obligations and as far as possible contribute to minimizing the Group's environmental footprint, reflecting the Group's efforts in this field.

3. Reliability of information, respect for confidentiality

Honesty of information transmitted

In order to make information transmitted as effective as possible, all Group employees shall supply and transmit to their management documents and information that is as relevant and complete as possible.

Respect for confidentiality – use of confidentiality agreements

Employees who come to possess information belonging to Group Companies that is to be kept confidential, such as information about products, designs, technical projects, sales plans or financial projects, must ensure that this information is only communicated to persons who need to know it in the context of their work, and especially not outside the Group.

Information which employees come to access during fulfilment of their employment contracts remains confidential after the contracts end.

Confidential information must only be communicated outside the Group when covered by confidentiality agreements. These agreements must have previously been reviewed by the Fives Legal Department in cases where they may lead to unusual risks in relation to Group standard models (e.g. in terms of fines).

Use by a Group employee, for personal purposes, of such information is forbidden.

4. Respect for customers and suppliers

Respect for customers

In order to acquire and maintain customers' trust in the activities and products of Group Companies, employees shall respect customer rights and strive to develop constructive and long-term relationships in the interest of the Group. In particular, they shall only make realistic, considered and responsible commitments to their customers.

Respect for suppliers

Suppliers shall be treated fairly in all countries in which the Group operates, with suppliers' selection based on objective criteria and following competitive tenders as a general rule.

5. Capacity to commit on behalf of the Company

It is forbidden for employees to make commitments on behalf of the Company beyond the scope of their authority.

6. Ban on active or passive corruption

Group employees whose work brings them into contact with third parties, particularly suppliers and customers, shall refrain from acts of either active or passive corruption.

No Group employee shall for instance offer or promise a gift in any form other than symbolic.

Similarly, no employee shall request or accept a gift, other than symbolic, or any other benefit from any entity.

Moreover, it is strictly forbidden for Group employees to directly or indirectly request, accept, propose or offer any bribe or other benefit.

In the event of doubt regarding the type or extent of such gifts, either offered or received, and in all other cases in which they receive direct or indirect requests or offers of particular benefits, employees must consult their management.

7. Conflicts of interest and anti-competitive practices

Prevention of conflicts of interest

A conflict of interest may occur when the prospect of a personal gain influences an employee's professional behaviour. The Group expects every employee to not act to the detriment of the Group. Employees are expected to disclose to their supervisor any personal material transactions or personal relationships that reasonably could be expected to give rise to a conflict of interest.

Prevention of anti-competitive practices and unfair competition

Employees, particularly those who have links with customers and competitors, must comply fully and in good faith with applicable rules and laws in respect of competition and prevention of anti-competitive practices.

8. Understanding of the Code

In the event of doubt as to interpretation of the Code, employees are encouraged to consult their supervisor.

9. Reporting breaches of the Code

Restricted Version ENG

Any employee may, if they suspect in good faith a breach of the Code, notify their supervisor, the Company's Chief Executive Officer or the Head of Fives Corporate Social Responsibility Department. The Company will use its best efforts to keep reports or complaints confidential during any investigation whenever possible.

10. Responsibility in the event of breach of the Code

In the event the Code is shown to be breached, the employee concerned shall be disciplined appropriately.

The Business Ethic Directive [FOR INTERNAL USE]

Except as otherwise provided herein, in this Model, the term "Code of Conduct" shall mean, jointly, the Code of Conduct and the Business Ethic Directive.

ANNEX C – ORGANISATIONAL CHART [FOR INTERNAL USE]

ANNEX D – SYSTEM OF POWERS AND POWERS OF ATTORNEY [FOR INTERNAL USE]

ANNEX E – SPREADING AND UPDATING OF THE MODEL

ANNEX E.1 – COMMUNICATION AND TRAINING

Communication and training of personnel are important requirements for the implementation of the Model. The Company undertakes to facilitate and promote knowledge of the Model with managers and employees, with a different level of awareness based on positions and roles. Flows are customised based on the specific needs of each resource.

Principles and contents of Legislative Decree 231/01 and of the Model are furthermore spread by means of training courses. Participation in courses is mandatory. The training methods are approved by the Supervisory Boards following proposals by the Company divisions. Courses are repeated whenever new personnel is hired. The Model is transmitted and made available to each employee through:

- Affixion on the Company board;
- Transmission of a letter, together with the pay slip, by the Head of Human Resources to each employee, whereby the main contents of Legislative Decree 231/01 and the means for taking notice thereof are described;
- Publication on the Company intranet.

The Model is rendered available to all users on the Group web site www.fivesgroup.com, with prior omission of those parts specified as *[for internal use]*.

Principles and contents of the Model are brought to the attention of all persons with which the Company entertains contractual relationships.

Any conduct realized by Partners contrary to the guide lines of conduct provided for by this Model, which is able to entail the risk of the commission of an offense specified in the Legislative Decree 231/01 will trigger immediate termination of the contract. Such immediate termination shall be expressly provided for in the relevant contract with an express termination clause under art. 1456 cc, without prejudice for further damages caused to the Company, as in case of application by the court of the measures provided in the Legislative Decree 231/01.

ANNEX E.2 – MODEL UPDATING PROCEDURE

For the purpose of utilising at all times an up-to-date Model, such document must be adjusted and, if the case, amended and implemented. It must always correctly reflect the legal and socio-economic status of the Company.

Amendment and updating of the Model may thus be necessary when:

- a) There are legislative updates concerning administrative liability of entities following the perpetration of crimes;
- b) There are significant changes in the organisational structure and fields of activity of the Company;
- c) There are significant breaches of the Model which thus evidence that it is not effective;
- d) There are have been assessments and controls which have evidenced the need for changes.

Each of the above events will immediately give rise to a Model amendment procedure so that it is certain that any unlawful behaviour will necessarily stem from a fraudulent breach of clearly codified rules.

In such respect, the following activities will be carried out:

- The Supervisory Board shall promote the implementation of the Model every time a new provision of law amends Legislative Decree 231/01 or every time an event occurs which is liable to evidence insufficiency or inadequacy of the Model adopted theretofore;
- Every year – where a higher frequency is not necessary or where specific events which may so require have not occurred – the managers, heads of divisions an/or other responsables within the Company shall render a statement to the Supervisory Board utilising the format under Annex E.3 “Format of periodical statement to the Supervisory Board”;

Restricted Version ENG

- Annex A, "Identification of the areas at risk and adequacy of the Model", shall have to be updated and – to the extent necessary – amended every time changes to the Company structure, allocation between offices/duties, system of powers of attorney granted by the Chairman or by the Board of Directors in relation to corporate activities should occur;
- Annex A, "Identification of the areas at risk and adequacy of the Model", shall then have to be submitted to a detailed scrutiny and – where necessary – amended by the Supervisory Board every time it becomes aware that facts constituting offence, that have given rise to the Company's responsibility under Legislative Decree 231/01 (or amendments thereof) or may do so in the future, have been committed. In any case, it will be advisable that Annex A, "Identification of the areas at risk and adequacy of the Model", be submitted to an evaluation every year so as to verify the continuity thereof;
- Amendments to be made to Annex A, "Identification of the areas at risk and adequacy of the Model", shall have to take into account the actual situation, thus introducing more suitable prevention measures which – if previously adopted and brought to the attention of the Company people – could have prevented commission of offences.

Model amendment and/or updating activities shall be the competence of the Company's Board of Directors, also upon proposal by the Supervisory Board, which, at the end of the procedures outlined above shall prepare a report for the Board of Directors.

ANNEX E.3 – FORMAT OF PERIODICAL STATEMENT TO THE SUPERVISORY BOARD

The undersigned _____, in his/her capacity as responsible for _____ of Fives Giustina s.r.l. certifies that, in the period _____, within the [division/office/other] _____, to his/her knowledge:

- The provisions and contents of the Company's Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001 have been complied with;
- The provisions and contents of the Code of Conduct, including the provisions and contents of the Business Ethic Directive, have been complied with;
- The following provisions have not been complied with: _____;
- The procedures established by the Company for the carrying out of normal operations have been complied with;
- The following procedures have not been complied with: _____;
- Powers of attorney and signature powers within the Company organisation have been complied with;
- The following powers of attorney and signature [or expenditure] powers have not been complied with: _____;
- There have been no indications by employees, collaborators and external consultants relating to the perpetration of offences by anyone;
- The following internal organisational procedures have been changed: _____;
- The organisational chart of the Company has changed;
- There have been the following indications: _____;
- Other _____.

_____.