

FIVES INTRALOGISTICS S.P.A. CON SOCIO UNICO
Viale Ticino, 2 - 21015 Lonate Pozzolo (VA), Italy

MODEL 231

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

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GENERAL SECTION (Par. 1.1, 1.7 and 3.2) SPECIAL SECTION (ANNEX A.1, ANNEX A.2, ANNEX A.3, ANNEX A.5, ANNEX B, ANNEX C, ANNEX D, ANNEX F.1, ANNEX F.3)	26.03.2020	Board of Directors 26.03.2020	Rev 9.0
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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.

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GENERAL SECTION

1. GENERAL ASPECTS

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" (hereinafter, "**Legislative Decree 231/01**") introduced the principle of administrative liability of legal entities. It envisages the possibility that, in case certain crimes are committed, the company be held liable if such crimes have been **committed in the interest of the latter or to the advantage of the same** by Directors and employees.

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.

1.1. CORPORATE MISSION AND GOVERNANCE MODEL

FIVES INTRALOGISTICS S.p.A. (hereinafter, the "**Company**") belongs to the multinational Fives Group (hereinafter, the "**Group**") and it is subject to the management and coordination activity of Fives Italy S.r.l.. The Company employs approximately 340 persons and 4 agency workers, has a local unit, intended for offices, located in Lonate Pozzolo (VA) ITALY, Via Del Gregge no. 100, Building no. 2 c/o Avioport S.r.l. and operates in the logistics sector. More specifically, the Company manufactures automated transportation and sorting systems for the distribution, freight forwarding, airport baggage handling and postal sectors.

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

- **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;
- **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;
- **Board of Statutory Auditors**, 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;

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- **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.

1.2. SCOPE OF THE MODEL

The implementation of the organisational, management and control model pursuant to Article 6 of Legislative Decree 231/2001 (hereinafter, 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.

1.3. PRINCIPLES

On the basis of what expressly provided for by Legislative Decree 231/2001, 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.

1.4. ADDRESSEES

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

1.5. 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, the results of which have been embodied in specific documents, has been carried out. 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 231/2001. 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 Work Safety Consolidation Act pursuant to Legislative Decree No. 81 of April 9, 2008 and subsequent amendments and integrations (hereinafter, 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 231/2001, 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.
- 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 231/2001 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 231/2001 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.

1.6. MODEL STRUCTURE

The Model comprises, first of all, this **General Section** whereby, after a reference to Legislative Decree 231/2001, the essential features of the Model itself, the crimes envisaged by Legislative Decree 231/2001, the composition and powers

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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 231/2001. 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: Invitation to third parties to adopt common ethical principles;

Annex F: 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.

1.7. OFFENCES

Table 1 herein below describes offences relevant to the purposes of Legislative Decree 231/2001, 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 231/2001	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 231/2001	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 231/2001	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 231/2001	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 231/2001	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 231/2001	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 231/2001	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 231/2001	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))

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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 231/2001	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 231/2001	Article 615 <i>quinquies</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 231/2001	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 231/2001	Article 640 <i>quinquies</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 24 bis, Paragraph 3, Legislative Decree 231/2001	Article 1, paragraph 11, of the Italian Law Decree 21 september 2019, no. 105, converted into Law 18.11.2019, no. 133 (urgent provisions on the national cyber security perimeter)	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 231/2001	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 231/2001	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 2 years)	Yes (min 2 years)	Yes (min 2 years)	Yes (min 2 years)	Yes (min 2 years)

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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, Paragraph 3, Legislative Decree 231/2001	Articles 317, 319 (with aggravating circumstance under Articles 319 bis, 319 ter, Paragraph 3, and 321) of the Italian Criminal Code (extortion, bribery, judicial corruption)	300-800	77,400.00 – 1,239,200.00	Yes (min 2 years)	Yes (min 2 years)	Yes (min 2 years)	Yes (min 2 years)	Yes (min 2 years)
Article 25 bis, Legislative Decree 231/2001	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 231/2001	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 231/2001	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 D.Lgs. 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 D.Lgs. 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 D.Lgs. 231/01	Art. 2623, paragraph 1, of the Italian Civil Code (False accounting) Art. 2624, paragraph 1, 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	-	-	-	-	-

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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. e D.Lgs. 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	-	-	-	-	-
Art. 25 ter Lett. g and s D.Lgs. 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, m and n D.Lgs. 231/01	Art. 2625, paragraph II of the Italian Civil Code (Hindrance to controls) Art. 2632 of the Italian Civil Code (Fictitious 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 D.Lgs. 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 D.Lgs. 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	-	-	-	-	-

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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 1 Legislative Decree 231/2001	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)
Article 25 quater, Paragraph 2 Legislative Decree 231/2001	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 231/2001	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 231/2001	Market abuse	400-1000 With aggravating circumstances: up to 100 times the product of the profit	103,200.00 – 1,549,000.00	-	-	-	-	-
Article 25 septies, Paragraphs 1 and 2, Legislative Decree 231/2001	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 231/2001	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 231/2001	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)

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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 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
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, L. No. 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 – 1000	25.800,00 – 1,549,000,00	-	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)	Yes (max 1 year)
Article 25 terdecies	Racism and xenophobia	200 – 800	51,600.00 – 1,239,200.00	Yes	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)
Art. 25 quaterdecies Legislative Decree 231/2001	Fraud in sporting competitions, abusive gaming or bet and gambling games practiced by means of prohibited apparatus	100 – 500	25,800.00 – 774,500.00	-	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)	Yes (min 1 year)
Art. 25 - quinquiesdecies Legislative Decree 231/2001	Tax offences	Max 500 with aggravating circumstance up to 666	25,800.00 – 774,500.00 with aggravating circumstance up to 1.032.666,60	-	-	Yes	Yes	Yes

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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 *quinqüesdecies* (tax 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);
- 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);
- Article 25 *terdecies* (racism and xenophobia).

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*);
- Fraud in sporting competitions, abusive gaming or bet and gambling games practiced by means of prohibited apparatus (Article 25 *quaterdecies*).

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.

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- e) **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.
- f) **Ethical principles contained in the Code of Conduct.**
- 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, Auditors and external collaborators 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 231/2001, 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.

1.8. MANDATORY CHARACTER

The Directors, the managers and, more in general, the Addressees shall scrupulously abide by the rules and provisions of this management Model.

2. SUPERVISORY BOARD

The Supervisory Board determines and carries out its activities by means of **collegiate** method and is vested, in compliance with Art. 6, Paragraph 1, Letter b), of Legislative Decree 231/2001, with "**autonomous powers of initiative and control**".

Autonomy and independence of the Supervisory Board are secured by its position in the organisational structure, by the qualifications of its members and by reporting flows:

- Within the context of the organisational structure, the Supervisory Board is constituted by an internal member identifiable with the Risk and Compliance Manager and by external persons with high qualifications (such as a lawyer with consolidated experience and a health and safety consultant);
- The requirements of the members of the Supervisory Board are independence, honesty and professionalism;
- The Supervisory Board, acting in a collegiate guise, reports to the Board of Directors.

In order to carry out its operations and for the purpose of allowing maximum adherence to continuity and lawfulness, the Supervisory Board shall resort to internal personnel as necessary and appropriate and/or external advisors specifically identified.

The Company shall render available to the Supervisory Board human and financial resources as necessary for the carrying of activities. Denials, if any, by the Company to do so shall have to be motivated in writing.

2.1 COMPOSITION

The Supervisory Board is appointed by the Board of Directors and is constituted by three members, one internal to the corporate structure and two external consultants which guarantee multi-disciplinary competence and high independence in terms of assessment and judgment.

In case situations of conflict of interest should occur in respect of the members of the Supervisory Board with reference to the matters dealt with for the purposes of Legislative Decree 231/2001, a thing which may happen in light of company dimensions and limited number of top managers, any such member shall not take part in the relevant activities of the Supervisory Board.

In any case, the employer shall never be a member of the Supervisory Board.

The Supervisory Board shall hold office for a period of two years, subject to renewal by the Board of Directors.

In light of the peculiarity of the appointment of the first Supervisory Board (that is, the first experience that such body has with the Model adopted):

- The composition must be as such so as to have adequate historical and technical corporate knowledge. This can be guaranteed by esteemed internal resources vested with authority and external resources with high professionalism, more specifically on legal and supervisory aspects to be tackled with the highest degree of independence;
- The first Supervisory Board shall hold office for a period held appropriate for start-up and optimal fine tuning of the approved Model and relevant adjustments that may be required. The period shall thus be equal to two years.

Except for the case of a reorientation of the role of the Supervisory Board on the basis of the experience, justifiable reasons for substituting or integrating the same shall be:

- The attribution of duties, roles and responsibilities within the corporate structure not consistent with the "**autonomy e independence**" and/or "**continuity**" requirements of the Supervisory Board;
- The termination or resignation of a member of the Supervisory Board from his office;
- The termination or resignation of a member of the Supervisory Board from his office for personal reasons.

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

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- 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; members of the Board of Statutory Auditors; 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 member of the 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 231/2001;
- 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.

Where any of the above instances should occur in respect of a member of the Supervisory Board, he/she shall have to notify immediately thereof the Chairman of the Board of Directors and the Chief Executive Officer and will automatically cease from office.

In particularly serious cases, the Board of Directors may resolve – with the consent of the Board of Statutory Auditors – 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 231/2001 or from a plea bargain;
- Serious breach of the duties of the Supervisory Board.

2.2 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 231/2001);
- 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 231/2001).

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;

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- 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 231/2001 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 Chief Executive Officer 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 231/2001. 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 execution of its own mandate;
- The availability of human and financial resources for the carrying out of its duties.

2.3 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 Board of Statutory Auditors 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.

2.4 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.

3. INFORMATION FLOWS

3.1 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 Chief Executive Officer, who then informs the Board of Directors in the context of the reporting duties connected to his/her powers;
- b) **On a semester basis** vis-à-vis the Board of Directors and the Board of Statutory Auditors. In such respect, a specific 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 Chief Executive Officer, 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.

3.2 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 231/2001.

In such respect:

- Each manager and head of division shall transmit every semester to the Supervisory Board, utilising the format under Annex F.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 231/2001 (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 manager and head of division shall prepare every semester periodical reports, utilising the format under Annex F.3, concerning the supervision activities carried out within his/her division;
- Each responsible or employee shall 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.

Guarantees concerning the information flow system (whistleblowing).

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The Company, in compliance with the provisions of the applicable law and with the purpose to guaranteeing correctness and transparency in the conduct of its business activity, has implemented the automated procedure concerning the so-called "Whistleblowing", available to anyone who wants to report about any situation that could compromise the responsible and sustainable management of the Company. Such procedure allows Addressees to submit reports of illicit conduct, under Legislative Decree 231/2001, ensuring at the same time the confidentiality of the identity of the reporting party in the management of the reporting, through the adoption of secure protocols and cryptographic tools that allow to protect personal data and information, including those annexed in any attachments. The identity of the reporter is never revealed without his/her consent, unless so required by the applicable law

In particular, the procedure implemented by the Company uses the "WhistleB" platform, adopted at Group level, which guarantees maximum confidentiality of the alerts transmitted and which can be accessed via the Company Intranet from the section "my group", "business ethics: our commitments", or directly from the WhistleB platform at the link <https://report.whistleb.com/it/fives>. The alerts will be received in the first instance by the Group Compliance Officer who will immediately forward them to the Supervisory Board.

The reporting must be made in good faith, duly detailed and grounded upon precise and consistent facts, also in order not to affect the effectiveness of such procedure made available to the Addressees.

Whoever reports with wilful misconduct and/or gross negligence information that are subsequently revealed unfounded, shall be subject to the sanctions provided for by the disciplinary system under paragraph 4 of the General Part of the Model. Such behavior will be held to be a serious violation of the Model and the Code of Conduct.

The violation of the obligations of confidentiality of the data of the reporter is held to be a violation of the Model and it shall be sanctioned under the disciplinary system provided for in paragraph 4 of the General Part of the Model.

The reporter's retaliatory or discriminatory firing as well as his/her change of tasks are to be considered null and void under the article 2103 of the civil code, as well as any other retaliatory or discriminatory measure adopted towards the reporter. It is up to the employer, in case of litigation concerning disciplinary sanctions, reduction of the tasks, firings, transfers or adoption of other organizational measure having negative, direct or indirect, effects on the reporter, on his/her conditions of job, following to the presentation of the report, to demonstrate that such measures are founded upon extraneous reasons to the same reporting.

The adoption of discriminatory measures towards the reporters can also be sued to the competent Italian "Ispettorato nazionale del lavoro", either by the reporter itself and/or by the trade union indicated by the same.

3.3 OTHER INFORMATION FLOWS

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

At the end of every periodical meeting, 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 231/2001;
- 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.

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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.

4. DISCIPLINARY SYSTEM

4.1 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.

4.2 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 May 31st 2018, 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 231/2001 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;

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- 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.

The employer shall not apply any disciplinary sanction against the employee without having first claimed the allegation and having heard his/her defence.

Save for verbal complaints, the allegation shall have to be claimed in writing and disciplinary sanctions may not be applied until the period afforded by the law to the employee for providing his/her justifications has expired.

If the sanction is not applied within the term prescribed by applicable laws following receipt of such justifications, then the latter shall be held accepted.

The employee may submit its justifications, also verbally, with the assistance, if any, of a representative of the trade union association to which he/she belongs, or of a member of the internal trade union.

The application of the sanction shall have to be motivated and communicated in writing. The disciplinary sanctions listed at letters b), c) and d) above may be challenged by the employee with the special procedure before the trade unions.

4.3 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 entered into on November 25, 2009 and renewed on January 1st 2015.

4.4 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 one or more members of the Board of Statutory Auditors, the Supervisory Board notifies thereof the Board of Directors and the Board of Statutory Auditors and such bodies will adopt the necessary measures such as, for example, calling of the Shareholders' Meeting to resolve in line with what provided for by applicable laws.

4.5 MEASURES AGAINST THIRD PARTIES (CONSULTANTS AND PARTNERS)

Breach of the provisions contained in the Model by third parties (consultants or external partners, not bound by a subordinate relationship with the Company but subject to supervision and control by the Company in their engagement) 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.

4.6 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.

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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.

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 in the period March-June 2011, and more recently also following the organizational and business changes occurred, with reference to the offences described below, the situation turned out to be follows.

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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;

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- Cause the employees to be made aware and trained for the carrying out of their duties and assumption of 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 231/2001 is set out below.

Involuntary murder (Article 589 of the Italian Criminal Code)

For the purposes of Legislative Decree 231/2001, 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 231/2001, 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 231/2001, 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. Liability of the company is, on the contrary, excluded when, even though the safety rule has been breached, the event would have occurred without negligence of the employer.

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

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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 Legislative Decree No. 626/1994 and, more generally, of all legislation concerning health and safety at work, until the enactment 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. In addition, the responsible persons under the Safety Consolidation Act must compile and periodically transmit to the Supervisory Board the form attached as Annex F.3.

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, responsible 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 Article 17 of the Safety Consolidation Act, the Company has:

- Carried out an assessment of all risks, with ensuing preparation of the risk assessment document (hereinafter, "**DVR**") in compliance with applicable laws;
- Appointed the person responsible for accident prevention and risk protection (hereinafter, "**QHSE**");
- Appointed the Competent Doctor.

Amongst the duties provided for in Article 18 of the Safety Consolidation Act which the Employer of the Company has delegated to its managers, the following should be remembered:

- a) Entrusting of duties to employees, taking into account their skills and conditions in respect of their health and safety;
- b) Provision to employees of necessary and adequate individual prevention devices, with the prior opinion of the QHSE and of the Competent Doctor;
- c) Taking of necessary measures so that only employees who have received adequate instructions and specific training are granted access to areas which may expose them to specific and serious risks;
- d) Solicitation of compliance by each employee with applicable laws, Company rules in terms of health and safety at work, use of general means of protection and individual protection devices made available to them;
- e) Invitation to all employees to submit to medical examination within the deadlines provided for in the medical supervision program and request that the Competent Doctor abide by Legislative Decree 231/2001. In the instances of medical supervision specified by Article 41, promptly inform the Competent Doctor of termination of employment relationship;
- f) Adoption of measures for supervision of risk situations in case of emergency and instructions to employees so that, in case of serious, imminent and unavoidable danger, they abandon their workplace or the dangerous area;
- g) Information as soon as possible to employees exposed to serious and imminent danger of such risk and measures adopted or to be adopted for sake of protection;
- h) Compliance with information and training obligations set forth by Articles 36 and 37 of the Safety Consolidation Act;
- i) Except for duly motivated cases, abstention from soliciting employees to resume work where a serious and imminent danger situation exists;
- j) Permission to employees to verify, through their safety representative, application of health and safety protection measures;

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- k) Preparation and delivery to the Employer for his approval and signature of the document specified at Article 26, Paragraph 3, of the Safety Consolidation Act, also in electronic format as provided for by Article 53, Paragraph 5, of the Safety Consolidation Act and, upon request of the employees' health and safety representative, prompt handover to him/her of a copy thereof. The document is to be consulted exclusively within the Company. It is hereby understood that such document shall be signed by the delegated and submitted to the Employer in order for him to make his evaluations and analysis before the approval and subscription of the said document by the Employer himself;
- l) Taking of necessary measures to avoid that technical measures adopted cause risks for people's health or damage the external environment, with periodical supervision over the enduring absence of risks;
- m) Communication for statistical and information purposes by electronic means to INAIL and through the latter to the national computer system for workplace prevention specified at Article 8 of the Safety Consolidation Act, within 48 hours of receipt of the medical certificate, of data and information concerning accidents at work which may imply absence from work for at least one day (excluding that of the accident) and, for insurance purposes, of data and information concerning accidents at work which may imply absence from work for more than three days. The obligation to notify the occurrence of accidents at work which may imply absence from work for more than three days shall be deemed in any case fulfilled by means of the notice prescribed by Article 53 of Presidential Decree No. 1124/1965;
- n) Consultation with the employees' health and safety representative in the hypotheses specified at Article of the Safety Consolidation Act;
- o) Adoption of necessary measures for fire prevention and evacuation and for instances of serious and imminent danger, as prescribed by Article 43 of the Safety Consolidation Act. Such measures must be consistent with the Company's activity, dimensions and number of employees;
- p) When contracting or subcontracting, issuing to workers of passes bearing photograph, personal details and name of employer, or of the delegated managers;
- q) Updating of prevention measures in relation to organisational and production changes which may have relevance as to health and safety at work or in relation to the level of technical evolutions concerning prevention and protection;
- r) Supervision so as to avoid that employees vested with medical supervision duties are entrusted with specific duties without adequate suitability judgment.

In addition, the employer or the delegated managers provide the Accident Prevention and Protection Service ("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) Information indicated at Letter p) above 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.

With reference to activities outlined by the Safety Consolidation Act, responsables (as defined by Article 2, Letter e) of the Safety Consolidation Act), on the basis of their duties and roles, shall, in compliance with Article 19 of the Safety Consolidation Act:

- a) Supervise over compliance by each employee of his/her obligations under applicable laws, besides Company rules in terms of health and safety at work, use of general means of protection and individual protection devices made available to them and, in case, of failure to do so, report to their direct superiors at work;
- b) Verify that only employees who have received adequate instructions and specific training are granted access to areas which may expose them to specific and serious risks;
- c) Solicit observance of control measures in risky situations in case of emergency and instruct employees so that, in case of serious, imminent and unavoidable danger, they abandon their workplace or the dangerous area;
- d) Inform as soon as possible employees exposed to serious and imminent danger of such risk and measures adopted or to be adopted for sake of protection;

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- e) Except for duly motivated cases, refrain from soliciting employees to resume work where a serious and imminent danger situation exists;
- f) Promptly notify the employer or the delegated managers with deficiencies of work equipment and individual protection devices and with any other dangerous situation that should occur during work, of which they may become aware based on information obtained;
- g) Attend training courses as provided for by Article 37 of the Safety Consolidation Act.

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.

In such respect, the duties of the QHSE specifically provided for by the Safety Consolidation Act and entrusted by the Company, also in lack of a specific mandatory obligation, are:

- a) Identification of risk factors, risk assessment and identification of safety and workplace health measures, within the limits prescribed by applicable laws on the basis of the specific knowledge that the QHSE has of the Company organisation;
- b) Devising, within his/her duties, of prevention and protection measures mentioned in the DVR and supervision systems thereof;
- c) Devising of supervision systems and safety procedures for all Company divisions;
- d) Proposing to the employer or to the delegated managers of information and training programs for employees so as to provide adequate information on:
 - General health and safety risks connected to Company activities;
 - Specific risks to which employees are exposed in relation to activities carried out;
 - Legislation and Company rules in terms of health and safety at work;
 - First aid procedures, fire prevention and evacuation;
- e) Proposal to the employer or to the delegated managers of information and training programs for employees so as to provide adequate information in terms of health and safety at work as to:
 - The concepts of risk, prevention, protection, organisation of prevention, rights and duties of persons operating in the safety department, supervision and control bodies;
 - Risks connected to duties, damages and prevention and protection measures related to the field in which the Company operates.
- f) Take part in consultations concerning health and safety at work and periodical meetings as indicated at Article 35 of the Safety Consolidation Act;
- g) Providing the employees of information as specified by Article 36 of the Safety Consolidation Act;
- h) Constant monitoring evolution of legislative framework concerning health and safety at work.

In compliance with the provisions of Article 33 of the Safety Consolidation Act, the QHSE shall keep confidential work related processes of which it may become aware in the course of its 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.

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 Competent Doctor shall carry out the following activities:

- a) Collaboration with the employer or the delegated managers and the SPP in the risk assessment, also for scheduling, if necessary, medical supervision, in the preparation and implementation of measures for protection of health and psychic-physical integrity of employees, in the information and training activity, and in the organisation of first aid considering specific types of works, exposure and work organisation methods. Collaboration and promotion of voluntary "health promotion" programs;
- b) Scheduling and carrying out of medical supervision as prescribed by Article 41 of the Safety Consolidation Act, through medical protocols defined on the basis of specific risks and keeping in mind the most advanced scientific trends;

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- c) Creation, updating and storage, under his/her own responsibility, of a clinical and risk case history for each employee submitted to medical supervision. Such file is kept under a professional confidentiality obligation and, except for the time strictly necessary to carry out medical supervision and recording results thereof, at the place agreed upon appointment of the Competent Doctor;
- d) Handing over to the employer, or of the delegated managers, upon termination of the engagement, medical information in his/her possession, as prescribed by Legislative Decree No. 196 of June 30, 2003, without prejudice to professional confidentiality obligations;
- e) Handing over to the employee, upon termination of the employment relationship, copy of the clinical and risk case history and provision of all information necessary to preserve the same. The original is kept by the employer for at least 10 years, as prescribed by Legislative Decree No. 196 of June 30, 2003;
- f) Provision of information to employees on the meaning of medical supervision to which they will be submitted and, in case of long term exposure to agents, on the need to undergo medical examinations also after termination of the employment relationship. Upon request, provision of similar information to employees' health and safety representatives;
- g) Provision of information to employees on the results of medical supervision as prescribed by Article 41 of the Safety Consolidation Act and, upon request of the latter, handing over of a copy of medical documentation;
- h) For the purposes of the meetings indicated at Article 35 of the Safety Consolidation Act, communication in writing to the employer, or to the delegated managers, the QHSE and the employees' health and safety representatives the global (anonymous) results of medical supervision and clarification on the meaning of said results for implementing measures aimed at protecting health and psychic-physical integrity of employees;
- i) Visits to work environments at least once a year or with different frequency as determined based on risk assessment;
- j) Participation to scheduling of employees' exposure controls, the results of which shall then be promptly communicated to him for risk assessment and medical supervision;
- k) Communication, by means of self certification, of his/her qualifications under Article 38 of the Safety Consolidation Act, to the Ministry of Labour, Health and Social Policies.

The Employees' Health and Safety Representative ("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). To such purposes, the RLS:

- a) Is granted access to all places where work is carried out;
- b) Is consulted in advance on risk assessment, identification, scheduling, implementation and supervision over prevention, including training, and is provided with Company information and documentation concerning risk assessment and related prevention measures, hazardous materials and substances, equipment, machinery, work organisation and environment, injuries and occupational diseases;
- c) Is consulted in respect of the appointment of the SPP responsables, fire prevention, first aid, evacuation and the appointment of the Competent Doctor;
- d) Takes part in the periodical meetings under Article 35, convened to discuss issues related to risk prevention and protection, with faculty to propose solutions;
- e) Is provided information by supervisory bodies and warns the QHSE of risks detected in his/her activity;
- f) Is provided with adequate training, in any event not less than the training provided for by Article 37 of the Safety Consolidation Act;
- g) Promotes determination, identification and implementation of prevention measures suitable to protect employees' health and physical integrity;
- h) Makes recommendations during inspections conducted by competent authorities (by which he/she will be normally interviewed) and, in any case, resorts to them whenever he holds the risk prevention and protection measures adopted by the employer and the managers to be unsuitable to guarantee health and safety.

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

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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. 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 including:
 - (i) Water fire extinguisher with UNI 70 and UNI 45 hydrants;
 - (ii) Dry powder and CO2 fire extinguishers, distributed in all storeys of the buildings;
 - (iii) Affixation of signs;
 - (iv) Affixation of maps with indication of way out, gathering area and positioning of hydrants and fire extinguishers;
 - (v) Positioning of equipment and furniture so as not to prevent quick exit;
 - (vi) Emergency lighting system;
 - (vii) Registration of entry and exit by all employees;
 - (viii) Access to the plant admitted only to authorised visitors and external workers, with registration of entry and exit;
 - (ix) Specific evacuation plan;
- Updating of the fire DVR in work areas by the employer with the help of the SPP;
- Conduction of periodical environmental analyses, both chemical and physical, so as to:
 - (i) Comply with applicable laws concerning protection of employees against risks deriving from exposure to chemical, physical and biological agents during work;
 - (ii) Assess exposure to chemical polluting agents connected to ongoing works;
 - (iii) Examine the status of equipment from the perspective of prevention measures adopted.
- Preparation of an internal medical plan aimed at ensuring implementation of new measures necessary to guarantee protection of employees' health;

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- 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;
- Controls 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 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. 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 ISO 9001:2015 and ISO 14001:2015 requirements. The Company has already obtained the ISO 45001:2018 standards qualification;
- 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) is made up of:
- A report on health and safety risk assessment during work, including connected distress, whereby the criteria therein used are explained;
 - The identification of the prevention and protection measures adopted and the individual protection devices used;

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- The program for implementing measures held adequate for securing an improvement in time of safety levels (such measures are normally handled through corrective actions, which constitute an application of the DVR);
- The identification of the procedures for implementing measures and the roles within the Company that must see thereto, provided the relevant persons must be vested with appropriate competences and powers;
- The indication of the name of the QHSE, of the RLS and of the Competent Doctor that have taken part in the risk assessment;
- The identification of the duties, if any, that may expose employees to specific risks and so require specific professional skills and experience, besides adequate training.

b) Emergency plan (Article 43, Paragraph 1, letter d), of the Safety Consolidation Act);

The plan concerns provisions related to the joint presence of personnel and equipment during damaging events (for example, fire, terrorist act, explosion, gas leaks, etc.) and natural events (for example, flood, earthquake, etc.). It contains procedures which must be adhered to on a mandatory basis and thus codifies behaviours to be adopted based on the different type of event (from communication of an emergency to resolution thereof).

c) Minutes of the periodical risk prevention and protection meeting.

Amongst the main interventions made for the purposes of risk prevention and protection the following have to be underlined:

- The periodical risk prevention and protection meeting (Article 35 of the Safety Consolidation Act). It is called by the delegated manager, directly or through the Prevention and Protection Service, at least once a year. The delegated manager, the QHSE, the Competent Doctor and the RLS attend the same. During the meeting, the DVR is submitted to the scrutiny of the attendees and issues that have arisen are addressed and protective or preventative interventions are planned.
- Site evacuation simulation. These are carried out periodically to test the procedures adopted in the emergency plan for the evacuation of all persons present in the Company's premises (employees, consultants, stagiaires, guests, employees of other companies, etc.).
- Periodical environmental analyses. Mandatory environmental analyses are carried out periodically (for example, those aimed at assessing microclimate conditions, distribution and location of lighting system, presence and concentration of radon in basements) and also analyses held appropriate in relation to structural features of the buildings (for example, environmental analyses related to the presence of asbestos and emissions of heaters).
- Maintenance interventions. Specialised service providers ensure a constant monitoring of the conditions and efficiency of equipment existing in the Company premises. Record is kept of interventions, with specific reference to new equipment, tests, maintenance, outcome of controls, problems and malfunctions.
- On site visits in the Company premises (Article 25, Paragraph 1, Letter l), of the Safety Consolidation Act). The Competent Doctor visits work environments at least once a year.
- DVR and emergency plan updating. The DVR and emergency plan are amended when there are significant changes in production processes or work organisation that have an impact in terms of health and safety, when there are technical innovations, evolutions concerning prevention and protection following significant accidents or when medical supervision so requires. Following such amendments, prevention measures have to be updated. In the preceding cases, the DVR has to be amended within thirty days of occurrence.

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 **Security Booth**, entrusted with verifying identity of visitors and issuing passes, managed by the Company's personnel.

STANDARD PROCEDURES

The Company currently applies the following standard procedures ("SP"):

- **Manual for integrated management system for quality, environment and health and safety;**

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- Health and safety risk assessment ("DVR") under the Safety Consolidation Act: PS 51 03;
- **Education and training of the personnel:** PS 61 00;
- **Selection and recruitment of the personnel:** PS 61 01;
- **Processing of criminal records:** PS 61 04;
- **Company safety management:** SP 62 00;
- **Emergency Plan**, attached to DVR: SP 62 01;
- **Company medical plan management:** SP 62 02;
- **Services contract:** SP 62 03;
- **Injury, accidents and dangerous situations management:** PS 62 04;
- **Bordering spaces management:** PS 62 06;
- **Maintenance activity:** PS 63 00;
- **Equipment maintenance:** PS 63 01;
- **Waste management:** PS 64 00;
- **Control of structures containing asbestos:** SP 64 02;
- **Safety in external manufacturing process:** SP 73 19;
- **Non compliances, corrective e preventative actions:** SP 85 00;
- **Legal and other prescriptions:** SP 43 02;
- **Product development and technical support to R&D:** SP 71 02;
- **Sales activity:** ITL 72 01;
- **Project Managers activity:** ITL 73 01;
- **Design Quality Engineer Activity:** ITL 73 06;
- **Electromechanical and structural design:** SP 73 04;
- **Technical documentation:** SP 73 07;
- **Take-over:** PS 73 13;
- **Suppliers evaluation:** PS 73 15;
- **Site Managers activity :** ITL 73 18;
- **Assembly process control (internal):** PS 73 21;
- **Service and assistance management:** PS 74 01;
- **Technical assistance:** PS 74 02;
- **Analysis of the satisfaction of the parties involved:** PS 81 00;
- **Management of the signatures and of the binding documents:** PS 43 04;
- **Management of the access to the demo equipments and to the tests equipments:** POS 71 05;
- **Environmental impact assessment** PS 51 04;
- **Objectives, targets and environmental management programs:** PS 51 05;
- **Management of health and safety risk abroad:** PS 51 06;
- **Telecommuting Management:** PS 51 07;
- **Context Identification of the parties concerned:** PS 51 08;
- **Risks and opportunities assessment:** PS 51 09;
- **Purchase:** PS 73 16.

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INFORMATION AND TRAINING

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, in compliance with the annual training plan, defines the types of courses offered and scheduling thereof, taking into account the need to identify different modalities based on the persons involved and ensuring that records of activities carried out are kept. The Company also makes sure that information is spread throughout the Company so as to facilitate involvement of all persons concerned and promote awareness and commitment at all levels, through:

- Prior consultation on risk identification and assessment and determination of prevention measures;
- Periodical meetings.

Circulation of information within the Company is a fundamental element to guarantee adequate awareness and commitment levels on the policy adopted in terms of health and safety at work and is based on cooperation between all persons concerned, whether internal or external to the Company. The communication process is essential for the participation of personnel, involvement thereof in the health and safety at work management system and attainment of goals set by Company policies.

In such respect, personnel is:

- Consulted, also through its representatives, on matters concerning health and safety at work;
- Informed on the responsibility pattern in terms of health and safety at work.

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, etc.).

Furthermore, starting from January 2014, the Company has implemented the "Zero Accidents" initiative aimed at improving the employees' general knowledge of "health & safety". Among the activities encouraged by such initiative figure, by way of example, the safety award, the training of all the employees, the managers' inspection on construction site, the adoption of "totem" on safety issues.

PREVENTION AND MONITORING ACTIVITY BY THE SUPERVISORY BOARD

In light of the fact that Article 6, Paragraph 2, Letter d), of Legislative Decree 231/2001, 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 231/2001 (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

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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 Central Human Resources Office 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 semester 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 Head of Human Resources 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 procedures 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 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 Board of Statutory Auditors, as prescribed by the Model, the results of its supervision and control activities, using the format under Annex F.5.

ANNEX A.3 – CORPORATE OFFENCES AND MARKET ABUSES – TAX OFFENCES

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 231/2001, 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);

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- 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).

The Company also guarantees the diffusion and observance of principles of conduct aimed at avoiding the commission of tax offences specifically provided by Article 25 quinquiesdecies of Legislative Decree 231/01 and more specifically, the commission of the crime of fraudulent declaration through the use of invoices or other documents for non-existent transactions, the issue of invoices or other documents for non-existent transactions, the concealment or destruction of accounting documents, fraudulent evasion of tax payments provided for in Legislative Decree No 74 of 10 March 2000.

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.

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 share capital;
- Distribute profits or advances on profits not actually made or destined by the law to legal reserves;
- Purchase or subscribe shares in the Company outside of those cases provided for by the law, thus prejudicing the integrity of the share capital;
- Reduce the share capital, resolve upon mergers or demergers in violation of those provisions set aside for the protection of creditors;
- Proceed to fictitious recapitalisation or share capital increases, attributing shares for values lower than par value upon share capital increase;
- Use invoices or other documents for non-existent transactions to make fraudulent statements to the tax authorities;
- Issue invoices or other accounting documents for non-existent operations;
- Conceal or destroy accounting documents;
- Fraudulently omit tax payments.

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 Board of Statutory Auditors 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 members of the Board of Statutory Auditors and the external Auditor, to the extent such events occur, shall immediately inform thereof the Supervisory Board.

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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.

The Company does not tolerate the perpetration of any whatsoever fraudulent activity aimed at affecting the formation of the purchase price of financial instruments on the market.

In such respect, all Company personnel and external collaborators are obliged to comply with the prescriptions that govern correct formation of the purchase price of financial instruments on the market, strictly avoiding to adopt behaviours suitable to provoke a substantial alteration thereof in respect of the actual market condition, and preventing and sanctioning any kind of asset destabilisation of the banking system.

More specifically, it is forbidden for Company personnel and external collaborators to:

- Publish or disclose false information, simulate transactions or adopt misleading and fraudulent behaviours having as subject matter financial instruments listed on the Stock Exchange or de-listed and suitable to substantially alter the price thereof;
- Publish or disclose false information, simulate transactions or adopt misleading and fraudulent behaviours suitable to provoke mistrust in banks by the public, thus altering an image of stability and solvency of the same. The Company does not allow conducts which may constitute impediment to supervision activities by public authorities in such respect.

All Addressees shall promptly, accurately and in good faith make the necessary communications as prescribed by the law and by regulations to supervisory authorities, with no hindrance whatsoever to the duties of the latter.

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.

All Addressees shall likewise refrain from spreading false information or using deception for the purpose of causing a substantial alteration of securities traded on regulated markets and securities of non listed companies.

The above, on the assumption that all information available to the Company is treated as private and confidential.

In such respect, specific procedures for the protection of data are established and constantly updated.

There is an internal department responsible for handling information. It also manages connected roles and responsibilities and classifies information based on sensitivity thereof.

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

- Relate untrue statements or documents;
- 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 (as per Annex F.3).

ANNEX A.4 – ENVIRONMENTAL OFFENCES

The Company promotes ecological sustainability in all its activities and properties, for the benefit of future generations.

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 Legislative Decree No. 152/2006, hereinafter 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 Legislative Decree No. 152/2006 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 231/2001.

It has to be added that, during a meeting held on July 7, 2011, the Italian Cabinet adopted, amongst other legislation, the decree implementing Directive 2008/99/CE on the protection of environment at criminal level. Furthermore, 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 231/2001 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.

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

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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 1.7, 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;
- Racism and xenophobia.

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

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:

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- (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 ICT Responsible, with the aid of the competent 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 231/2001.

Moreover, considering that the advent of digitalization has profoundly changed the corporate world and that the spread of the Internet and new technologies requires the Company to have an increasingly higher degree of corporate computerization, also in order to prevent so-called cyber crimes, the Company has taken steps to, and has successfully completed, the process aimed at obtaining certification in terms of information security according to the ISO 27001:2013 standard. The primary objective is to protect company data and information from threats of any kind, in order to ensure their integrity, confidentiality and availability through an adequate information security management system (ISMS) aimed at an effective and correct management of sensitive company data.

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 significant 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.

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The behaviour principles set by the Company directly apply to Directors, managers and employees.

In particular, it is expressly forbidden to:

- a) Adopt behaviours liable to constitute the offences identified by Articles 24 and 25 of Legislative Decree 231/2001;
- 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.

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

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 *quinqies*;
- 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;
- Refrain from any form of propaganda of racism, xenophobia also through instigation to the racism or to the xenophobia.
-

CRIMES AGAINST INDUSTRY AND TRADE

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 231/2001, 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).

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 and, namely, the Head of Computer Systems Security, shall bring to the attention of the Supervisory Board through specific forms:

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- 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 231/2001;
- The list of main fulfilments achieved while supervising and controlling.

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 thereof in respect of the principles outlined in this document and, more specifically, the existing internal procedures.

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 report to the Managing Director.

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 231/2001;
 - 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, the Business Ethic Directive and the Business Ethics Charter, 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, the Business Ethic Directive and the Business Ethics Charter 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, the Business Ethic Directive and the Business Ethics Charter.

Except as otherwise provided herein, in this Model, the term "**Code of Conduct**" shall mean, jointly, the documents contained in the following Annex B.1 Code of Conduct, Annex B.2 Business Ethic Directive and Annex B.3 Business Ethics Charter.

ANNEX B.1 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.

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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

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

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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

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.

ANNEX B.2 BUSINESS ETHIC DIRECTIVE [FOR INTERNAL USE]

ANNEX B.3 BUSINESS ETHICS CHARTER [FOR INTERNAL USE]

ANNEX C – ORGANISATIONAL CHART [FOR INTERNAL USE]

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

ANNEX E – INVITATION TO THIRD PARTIES TO ADOPT COMMON ETHICAL PRINCIPLES

MESSRS.

[name of supplier/client/consultant]

Dear Sirs,

our Company has decided to comply with Italian Legislative Decree No. 231 of June 8, 2001, which may imply administrative sanctions upon companies, businesses and, more in general, entities for offences committed in its interest or to its advantage by persons referable to it.

In such perspective, Fives Intralogistics S.p.A. intends to secure that also its clients, consultants, suppliers of raw materials, semi-finished products, finished products, manufacturing processes, know-how and services in general carry out their activities in full compliance with applicable legislation and, more specifically, with the provisions of the afore mentioned Legislative Decree No. 231 of June 8, 2001 inserted by our Company in the Model and in the Code of Conduct, both retrievable on our web site at <http://intralogistics.fivesgroup.com/contacts/legal-information.html>.

We would be grateful if you could return to us a copy of this letter signed by you by way of acknowledgement and acceptance. In such manner, you will agree with our undertaking and confirm your will to continue our existing contractual relationships, in a perspective of rational growth and strengthening of legal requirements.

Thanking you for your cooperation, we hereby send our best regards.

FIVES INTRALOGISTICS S.p.A.

(Sales Dept. / Customer Service Dept. / Procurement / Human Resources Dept.)

By way of acknowledgement and acceptance

[name of supplier/client/consultant]

ANNEX F – SPREADING AND UPDATING OF THE MODEL

ANNEX F.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.

The Model is formally transmitted by the Supervisory Board to each member of corporate bodies and each manager. Each of such persons subscribes a statement whereby he/she acknowledges and accepts the principles and contents thereof. The statement is stored into an archive at the care of the Supervisory Board.

Principles and contents of Legislative Decree 231/2001 and of the Model are furthermore spread by means of training courses, made available by the Company to the Addressees also through E-learning platforms. 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 No. 231/2001 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 <http://intralogistics.fivesgroup.com/contacts/legal-information.html>, 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. The undertaking by third parties entertaining contractual relationships with the Company to abide by the law and the governing principles of the Model is implemented through appropriate communication, in the text attached hereto as Annex E.

ANNEX F.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 231/2001 or every time an event occurs which is liable to evidence insufficiency or inadequacy of the Model adopted theretofore;
- Every 6 months – 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 F.3 “Format of periodical statement to the Supervisory

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Board”;

- 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 as suggested 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 231/2001 (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 [6] months so as to verify the continuity thereof. In such respect, minutes as per the format under Annex F.4, "Minutes of Model appraisal on a semester basis", shall have to be prepared;
- 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, utilising the format under Annex F.5, "Format of periodical report to the Board of Directors", and will see to the substitution of the page/s containing the elements that have been changed with page/s whereby the preparation date is clearly identified.

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

The undersigned _____, in his/her capacity as responsible for _____ of FIVES INTRALOGISTICS S.P.A. certifies that, in the [first/second]semester of the year _____, 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 and of the Business Ethics Charter, 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 _____.

_____, _____.

ANNEX F.4 – MINUTES OF MODEL APPRAISALS ON A SEMESTER BASIS

This ___ day of _____, at the offices of FIVES INTRALOGISTICS S.P.A., located in Lonate Pozzolo (Va), Viale Ticino no. 2, the Supervisory Board of said Company, appointed by the Board of Directors on _____, constituted by Messrs.

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- _____, Chairman,
- _____, internal member,
- _____, external member,

met in order to verify if the Company's Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001 is still consistent with:

- The provisions of Legislative Decree No. 231/2001;
- Annex B, "Code of Conduct";
- Annex A, "Identification of the areas at risk and adequacy of the Model".

1. Following an accurate evaluation of the situation, of the activities carried out by the Company in the period elapsed from the last meeting, held on _____, and of the periodical statements rendered by the persons responsible for Company divisions

- _____
- _____
- _____
- _____

with reference to the period _____, this Supervisory Board, having made the necessary assessments, unanimously deemed that:

- No amendment or implementation has to be made to the Model and parts thereof, not there having occurred any of the assumptions that may render it advisable;
- That amendments have to be made to Annex B, "Code of Conduct";
- That amendments have to be made to Annex A "Identification of the areas at risk and adequacy of the Model" and, more specifically, to Annex A, _____;
- That amendments/implementations have to be made to the following other documents comprised in the Model:
 - _____
 - _____
 - _____

2. Amendments/implementations have become necessary following:

- Enactment of provisions supplementing or amending Legislative Decree No. 231/ and, more specifically, _____;
- Change occurred within the Company and, more specifically, _____;
- Change in the Company Directors;
- Change in Company structure or divisions;
- Change in Company procedures;
- Investigation proceeding against the Company, register no. _____, before the Prosecutor's Office of the _____ Tribunal, Public Prosecutor Mr. _____, for the offence provided for in Article _____;
- Other: _____.

3. The amendments/implementations that this Supervisory Board holds appropriate are contained in pages that, as from the date hereof, will be inserted in the Annexes to the Model which it has been deemed appropriate to amend/implement.

_____.

The Supervisory Board

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ANNEX F.5 – FORMAT OF PERIODICAL REPORT TO THE BOARD OF DIRECTORS

Following the meeting held on _____ the Supervisory Board of the Company has acknowledged the need to make amendments to the Model adopted in compliance with Legislative Decree No. 231/2001.

More specifically, it has been verified that:

(specify what already summarised in Annex F.4 "Minutes of Model appraisals on a semester basis", with particular focus on the motivations which have prompted the Supervisory Board to adopt amendments and the aims which are pursued).

As a consequence of the above, Model amendment note/s has/have been prepared through the insertion of a new page/new pages and today's date as date of preparation.

We hereby invite the Board of Directors of the Company to acknowledge the above and formally adopt such changes to the Model.

_____, on _____.

The Supervisory Board

ANNEX F.6 – FORMAT OF TRANSMISSION OF FINANCIAL STATEMENTS DATA

From: _____ (Managing Director)

WHEREAS

- Fives Intralogistics S.p.A. has prepared its own Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001.
- Such model has been approved by the Board of Directors on _____.
- Special Section A.3 ("Corporate offences and market abuses") prescribes the obligation of formal transmission of financial statements data by the competent division using electronic instruments that guarantee traceability of information flows

I DECLARE

- To be aware of the activities and responsibilities entrusted to the administration department in respect of preparation of financial statements and other Company information as defined by the internal procedures;
- That my activities and responsibilities also encompass acts which contribute to the formation of data and information used by the administration department in the preparation of the financial statements and other Company information;
- That such acts are carried out in full compliance with applicable laws, the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001 and the Code of Conduct contained therein.

In light of the above, I hereby transmit, in compliance with the timeframe established for the closing of the financial statements as of _____, the report as of _____, certifying that data and information therein contained, supplied by the competent Company divisions and audited by the external Auditor, have been prepared in accordance with Company procedures and accounting principles referred to herein above.

_____/_____.

The Managing Director
