



GRUPPO CIMBALI

Gruppo Cimbali S.p.A.

Guidelines for the adoption, implementation and enforcement of the Organization, Management and Control Model

Legislative Decree 08.06.2001, no. 231 - art. 6 c.3

"Discipline of administrative responsibility of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of September 29, 2000."

Model update to 03/2021

Approved by the board of directors on 03/23/2021

Definitions

- **Sensitive activities:** these are the activities of Gruppo Cimbali S.p.A. within the scope of which there is a risk, even potential risk, of commission of the offenses referred to in the Decree.
- **Consultants:** are those individuals who by reason of their professional skills provide their intellectual work in favor of or on behalf of Gruppo Cimbali S.p.A.
- **Legislative Decree 231/01 or Decree:** the Legislative Decree of June 8, 2001 No. 231 as amended or supplemented.
- **Employees:** are those persons having with Gruppo Cimbali S.p.A. a subordinate or para-subordinate employment contract.
- **Person in charge of a public service:** one who "in any capacity performs a public service," meaning an activity governed in the same forms as the public function, but characterized by the lack of powers typical of the latter (Art. 358 Penal Code).
- **Confindustria Guidelines:** guidance document of Confindustria (approved on March 7, 2002 and updated on March 31, 2008 and in March 2014) for the construction of the organization, management and control models referred to in the Decree.
- **Model:** Organization, management and control model pursuant to Legislative Decree 231/01.
- **Corporate bodies:** are both the administrative body and the board of auditors of the Company.
- **Supervisory Board or SB:** the body provided for in Article 6 of the Decree, responsible for supervising the operation of and compliance with the Model.
- **P.A. :** the Public Administration or person in charge of a public service;
- **Partners:** are the contractual counterparties of Gruppo Cimbali S.p.A., natural or legal persons, with whom the company reaches any form of contractually regulated collaboration.
- **Present document:** guidelines for the adoption, implementation and enforcement of the Model
- **Public official:** one who "exercises a legislative, judicial or administrative public function" (Art. 357 Penal Code).
- **Offenses: these** are the types of offenses to which the regulations set forth in Legislative Decree 231/01 apply, including as a result of its subsequent amendments or additions.



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- **Group companies:** companies directly or indirectly controlled by Gruppo Cimbali S.p.A. pursuant to Article 2359, paragraphs 1 and 2, of **the** Civil Code.
- **Company:** Gruppo Cimbali S.p.A.
- **Senior Persons:** persons who hold representative, administrative or managerial positions in the company or a unit of the company with financial and functional autonomy, as well as persons who exercise, including de facto, management or control of the company.
- **Subordinates:** persons subject to the direction or supervision of one of the persons mentioned in the preceding paragraph.
- **TUF:** Legislative Decree Feb. 24, 1998, No. 58 so-called "Consolidated Law on Finance."
- **TUS:** Legislative Decree April 09, 2008, No. 81 so-called "Consolidated Safety Act."
- **Top management of the Companies:** board of directors, chairman of the board of directors, chief executive officer, and general manager. .

Document structure

This document, structured in a General Part and a Special Part, includes an examination of the regulations contained in Legislative Decree 231/01 (hereinafter also the "Decree") and constitutes the guidelines that describe the process of adoption of the Model by Gruppo Cimbali S.p.A. (hereinafter also the "Company"), the offenses relevant to the Company, the recipients of the Model, the methods of adoption and implementation of the models of the other companies in the Group, the Supervisory Board of Gruppo Cimbali S.p.A. (hereinafter also "SB"), the system of sanctions to guard against violations, and the obligations to communicate the Model and train personnel.

The "Special Part" indicates the sensitive activities for the Company under the Decree, i.e., at risk of crime, the general principles of conduct, the elements of prevention to guard the aforementioned activities, and the essential control measures deputed to prevent or mitigate offenses.

In addition to what is expressly stated below, they are also an integral part of this document:

- The *control and risk self assessment* aimed at identifying sensitive activities, referred to here in its entirety and on file with the Company;
- The Code of Ethics, which defines the principles and standards of corporate behavior;
- all provisions, internal measures, acts and company operating procedures that constitute implementation of this document. These acts and documents can be found in the manner prescribed for their dissemination within the company.

General Part

1. Legislative Decree No. 231 of June 8, 2001.

The Decree, which introduces and regulates the administrative liability arising from crimes of entities, transposes and implements EU legislation on the fight against corruption, creating a unicum in the Italian legal system, which until 2001 did not provide for forms of criminal or administrative liability for collective entities, which could be called upon to pay at most, jointly and severally, the fines imposed for crimes committed by their legal representatives.

The scope of application of the Decree is very broad and covers all entities provided with legal personality, companies, associations, including those without legal personality, public economic entities, and private entities that are concessionaires of a public service. On the other hand, the regulations do not apply to the state, territorial public entities, noneconomic public entities, and entities that perform functions of constitutional importance (for example, political parties and trade unions).

The rule does not refer to entities not based in Italy. However, in this regard, an order of the Gip of the Court of Milan (ord. June 13, 2007) sanctioned, based on the principle of territoriality, the existence of the jurisdiction of the Italian court in relation to crimes committed by foreign entities in Italy.

1.1. Characteristics and nature of entity liability

The Legislature has identified several types of crimes that can be committed in the interest or to the advantage of the company, the perpetrators of which are always natural persons. After identifying the link between the entity and the perpetrator and ascertaining that the perpetrator acted within the scope of its corporate operations, it derives from the natural person-entity link and the offense-interest link of the entity a direct liability of the latter, choosing a particular punitive system that is independent of and parallel to the one that is in any case applicable to the natural person.

The nature of this new form of entity liability is of a mixed kind, and its peculiarity lies in the fact that it is a type of liability that combines the essential aspects of the criminal and administrative systems. The entity is punished with an administrative sanction as it is liable for an administrative offense, but it is on the criminal process that the sanction system is based: the competent authority to challenge the offense is the Public Prosecutor, while it is the criminal judge who has the responsibility and authority to impose the sanction.

The administrative liability of the entity is separate and autonomous from that of the natural person committing the crime and exists even if the perpetrator of the crime has not been identified, or if the crime has been extinguished by a cause other than amnesty. In any case, liability

of the entity is always in addition to and never in place of that of the individual perpetrator of the crime.

1.2. Offenses identified by the Decree and subsequent amendments

The entity can be held liable for a closed number of crimes, i.e., only for the crimes indicated by the legislature and is not liable for any other type of crime committed during the course of its activities. The Decree in its original version and subsequent additions, as well as the laws that explicitly refer to the discipline, indicate in Art. 24 et seq. the crimes that can give rise to the liability of the entity, defined as "predicate crimes."

The limitation that the Legislature placed on the applicability of the legislation to predicate offenses alone is explained by the fact that it would not be logical to punish the entity for offenses that have no connection with its activity and are attributable solely to the choices made by the natural person who commits them. The predicate offenses include very different types of crimes, some typical of business activity, others to the activities peculiar to criminal organizations. The enumeration of crimes has been expanded since the original one contained in the Decree. In fact, the following extensions have occurred: Law No. 48 of March 18, 2008, which introduced Art. 24 - bis "Computer crimes and unlawful data processing" later amended by DL 105/2019; Law No. 94 of July 15, 2009, which introduced Art. 24 - ter "Organized crime crimes"; Law No. 190 of November 6, 2012, and Law 3/2019, which amended Art. 25 "Extortion, undue induction to give or promise benefits and bribery"; Decree Law No. 350, which introduced Art. 25-bis "Counterfeiting of coins, public credit cards and revenue stamps," supplemented by Law No. 99 of July 23, 2009, which specified Art. 25 - bis in "Counterfeiting of coins, public credit cards, revenue stamps and identification instruments or signs"; Law No. 99 of July 23, 2009, which introduced Art. 25 - bis 1 "Crimes against industry and commerce"; Legislative Decree No. 61, as amended and supplemented by Law No. 262 of December 28, 2005, which introduced art. 25-ter "Corporate Crimes," among which was included by Law No. 190 of November 6, 2012, the crime of "Bribery among private individuals," amended and supplemented by Legislative Decree No. 38 of March 15, 2017, which amended art. 25-ter containing art. 2635 Civil Code, crime of bribery among private individuals, adding the new case of of art. 2635 bis Civil Code, crime of Incitement to bribery among private individuals; Law No. 7 of January 14, 2003 that introduced art. 25-quater "Crimes for the purpose of terrorism or subversion of the democratic order"; Law No. 228 of August 11, 2003, as amended and supplemented by Law No. 38 of February 6, 2006, that introduced art. 25-quinquies "Crimes against the individual personality"; Law No. 62 of April 18, 2005 that introduced art. 25 sexies "Market abuse" subsequently amended



by Legislative Decree 107/2008; Art. 10, Law No. 146 of March 16, 2006, which introduced transnational crimes; Law No. 123 of August 3, 2007, which introduced Art. 25-septies "Manslaughter and serious or very serious negligent injury, committed in violation of the rules on accident prevention and the protection of hygiene and health at work"; Art. 63, of Legislative Decree No. 231 of November 21, 2007, which introduced Article 25-octies "Receiving, laundering and use of money, goods or utilities of unlawful origin," as amended and supplemented Law No. 186, which introduced the crime of "Self-Money Laundering"; Legislative Decree 121/2011, which introduced art. 25 - decies "Inducement not to make false statements to the judicial authorities"; Legislative Decree 121/2011, which introduced art. 25 - undecies "Environmental Crimes", as integrated and amended by Law no. 68 of May 22, 2015 and Legislative Decree 21/2018; Legislative Decree no. 109, which introduced art. 25 - duodecies "Employment of third-country nationals whose stay is irregular," subsequently amended by L. 161/2017; L. 167/2017 which introduced art. 25 - terdecies "Racism and xenophobia" subsequently amended by DLgs 21/2018; L. 39/2019 which introduced Art. 25 - quaterdecies "Fraud in sports competitions, abusive gaming and betting and gambling exercised by means of prohibited devices"; Decree-Law No. 124, which introduced Article 25 - quinquiesdecies "Tax Crimes"; Legislative Decree No. 75 of July 14, 2020, which (i) amended Articles 24 and 25 by expanding the list of crimes committed in relations with the Public Administration; (ii) amended Article 25 - quinquiesdecies by expanding the list of tax crimes; and (ii) introduced Article 25 - sexiesdecies "smuggling."

As of the date of approval of the amendment and supplement of this document, the predicate offenses belong to the following categories:

- Offenses committed in relations with the Public Administration (Articles 24 and 25);
- Computer crimes and unlawful data processing (Article 24-bis);
- Organized crime offenses (Article 24-ter);
- Crimes of forgery of money, public credit cards, and revenue stamps (Article 25-bis);
- Crimes against industry and trade (Art. 25-bis 1);
- Corporate crimes (Article 25-ter);
- Crimes for the purpose of terrorism or subversion of the democratic order provided for by the Criminal Code or special laws and crimes committed in violation of the provisions of Article 2 of the International Convention for the Suppression of the Financing of Terrorism made in New York on 9/12/1999 (Article 25-quater);
- Female genital mutilation practices (Art.25-quater.1);

- Crimes against individual personality (Art. 25-quinquies);
- Market abuse (Article 25-sexies);
- Manslaughter and grievous or very grievous bodily harm committed in violation of accident prevention and occupational hygiene and health protection regulations (Art. 25-septies);
- Transnational crimes (Art. 10 Law 146/2006);
- Receiving, Money Laundering and Use of Money, Goods or Benefits of Unlawful Origin and Self-Money Laundering (Article 25-octies);
- Copyright infringement crimes (Article 25-novies);
- Inducement not to make statements or to make false statements to judicial authorities (Article 25-decies);
- Environmental crimes (Art. 25-undecies);
- Employment of third-country nationals whose stay is irregular (Art. 25-duodecies);
- Racism and xenophobia (Art. 25-terdecies)
- Fraud in sports competitions, abusive gaming or betting and gambling exercised by means of prohibited devices (Art. 25-quaterdecies)
- Tax crimes (Art. 25-quinquiesdecies)
- Smuggling (Art. 25-sexiesdecies).

The applicability and relevance of each offense to Gruppo Cimbali S.p.A., will be discussed in more detail later in section 7 of this general part.

1.3. Criteria for imputing liability to the entity

In the case of the commission of one of the predicate offenses, the entity is punishable only if certain conditions, defined as criteria for imputation of crime to the entity, are met. These criteria are distinguished into "objective" and "subjective."

The first objective condition is that the crime was committed by a person linked to the entity by a qualified relationship. There must be a relevant connection between the perpetrator of the crime and the entity, and administrative liability is borne by the entity only if the person who committed the crime belongs to one of these categories:

- **individuals in a "top position,"** such as, for example, the legal representative, director, general manager, or director of an autonomous organizational unit,

as well as persons who manage, even if only de facto, the corporation. These are the persons who actually have autonomous power to make decisions in the name and on behalf of the company. Also assimilated to this category are all persons delegated by the directors to carry out management or direction activities of the company or its branch offices;

- **"Subordinate" subjects**, i.e. all those who are subject to the direction and supervision of the apical subjects. Specifically belonging to this category are employees and those individuals, who, although not part of the staff, have a task to perform under the direction and control of apical individuals. Particular emphasis is placed on the activity actually performed, rather than the existence of an employment contract to prevent the entity from circumventing the regulations by delegating activities that may be offenses to outsiders. Relevant external parties include collaborators, promoters, agents and consultants, who on behalf of the company perform activities on its behalf. Also relevant, finally, are mandates or contractual relationships with non-staff members of the company, again in cases where these individuals act in the name of, on behalf of, or in the interest of the company.

The second objective condition is that the crime must be committed in the interest or for the benefit of the company; it must, therefore, have been committed in a sphere inherent in the company's specific activities and the company must have obtained a benefit, even if only potentially. The existence of at least one of the two conditions, which are alternatives, is sufficient:

- "interest" exists when the perpetrator acted with the intent to benefit society, regardless of whether that goal was then actually achieved;
- "advantage" exists when the Company has derived, or could have derived, a positive result, economic or otherwise, from the crime.

According to the Supreme Court of Cassation (Cass. Pen., no. 3615/06), the concepts of interest and advantage should not be understood as a unitary concept but rather as dissociated, the distinction between what could be understood as a possible gain foreshadowed as a consequence of the offence, versus an advantage clearly achieved as a result of the outcome of the crime, being clear. The Court of Milan (ord. Dec. 20, 2004) has also pronounced in this sense, according to which the mere finalization of the criminal conduct to the pursuit of a given utility is sufficient, regardless of whether this is actually achieved.

The liability of the entity exists not only when it has gained an immediate pecuniary advantage from the commission of the crime, but also in the event that, even in the absence of such a result, the act finds motivation in the interest of the company. The improvement of its

position in the market or the concealment of a financial crisis situation are cases that involve the interests of the company but do not bring it an immediate economic advantage. It is also important to note that if the crime is committed by qualified individuals of another company belonging to a group, the concept of interest may be extended in a sense unfavorable to the parent company. The Court of Milan (ord. Dec. 20, 2004) has sanctioned that the element characterizing the group interest lies in the fact that it is not configured as proper and exclusive to one of the members of the group, but as common to all the subjects that are part of it. For this reason, it is affirmed that the offence committed by the subsidiary can also be charged to the parent company, provided that the natural person who committed the offence also belongs functionally to it.

The conditions under which the crime is imputable to the entity are established by the subjective imputation criteria: the entity cannot be imputed the crime if, prior to the commission of the crime, it has equipped itself with an "Organization, Management and Control Model," capable of preventing the commission of crimes of the kind that has been committed. In essence, in order for the crime not to be imputed to it subjectively, the entity must demonstrate that it has done everything in its power to prevent, in the exercise of its business activities, the commission of one of the crimes provided for in the Decree.

For this reason, the Decree itself provides for the exclusion of liability only if the entity demonstrates:

- that the management body has adopted and effectively implemented, prior to the commission of the act, organization, management and control models suitable to prevent crimes of the kind that occurred;
- that the task of supervising the operation of and compliance with the models and ensuring that they are updated has been entrusted to a body of the entity with autonomous powers of initiative and control;
- that there has been no omission or insufficient supervision by the aforementioned body, which must have autonomous powers of initiative and control.

The conditions just listed must concur together for the entity's liability to be excluded. Thus, the company's exemption from fault depends on the adoption and effective implementation of a Crime Prevention Model and the establishment of a Model Supervisory Board, which is assigned the responsibility of overseeing the compliance of the activity with the standards and procedures defined in the model.

The Decree is much stricter and more severe in the case where the crime was committed by a person in an apical position, despite the fact that the model serves as a cause for non-punishment whether the predicate crime was committed by a person in an apical position or by a person in a subordinate position. Because the entity must prove that individuals committed the crime by fraudulently circumventing the model, the Decree requires a stronger proof of extraneousness in that the entity must also prove some sort of internal fraud by apical individuals.

In the case of offenses committed by subordinates, the entity may be held liable instead only if it is found that the commission of the crime was made possible by the failure to comply with management or supervisory obligations. This is, in this case, a true organizational fault: the company indirectly consented to the commission of the crime by failing to supervise the activities and individuals at risk of committing a predicate offense.

Equipping oneself with a Model 231 is not obligatory under the law, although, based on the criteria for imputing the crime to the entity, it seems to be the only valid means of proving one's extraneousness and not suffering the sanctions established by the Decree. Thus, having an effective and efficient model is in the interest of the company.

1.4. Indications of the Decree regarding the characteristics of the Organization, Management and Control Model

The mere adoption of the model is not the sole and sufficient condition for the exclusion of the company's liability, as the Decree merely regulates some general principles of the model, but does not provide specific characteristics. The model operates as a cause of non-punishability only if:

- effective, that is, whether reasonably suitable to prevent the crime or crimes committed;
- actually implemented, that is, whether its content finds application in the company's procedures and internal control system.

As for the effectiveness of the model, the Decree stipulates that it should have the following minimum content:

- the activities of the company in the scope of which crimes may be committed are identified;
- there are specific protocols aimed at planning the formation and implementation of the company's decisions, in relation to the crimes to be prevented;
- methods of managing financial resources suitable for preventing the commission of crimes are identified;

- an appropriate disciplinary system is introduced to punish non-compliance with the measures specified in the model;
- there are obligations to provide information to the Supervisory Board;
- in relation to the nature and size of the organization, as well as the type of activity carried out, appropriate measures are planned to ensure that the activity is carried out in compliance with the law and to discover and eliminate risk situations in a timely manner.

The Decree stipulates that the model is subject to periodic review and updating, both if significant violations of the requirements emerge and if significant changes occur in the company's organization or activities.

The model, while varying and adapting to the nature, size and specific activities of the enterprise, can be configured as a set of principles, tools and conduct that regulate enterprise organization and management, as well as control tools.

1.5. Crimes committed abroad

Under Article 4 of the Decree, the entity can be held accountable in Italy for predicate offenses committed abroad.

The Decree, however, makes this possibility subject to the following conditions:

- does not prosecute the state of the place where the crime was committed;
- the company has its head office in the territory of the Italian state;
- the crime is committed abroad by a person functionally related to the company;
- the general conditions for prosecution provided for in Articles 7, 8, 9, 10 of the Criminal Code are met in order to prosecute in Italy a crime committed abroad.

1.6. Sanctions

An entity found liable can be sentenced to four types of penalties, differing in nature and manner of execution:

- 1) the financial penalty.

The financial penalty is always applied if the judge finds the entity liable. It depends on a system sized in "quotas" that are determined by the judge. The size of the monetary penalty depends on the seriousness of the crime, the degree of liability of the company, the activity carried out to eliminate or mitigate the consequences of the crime or to prevent the

commission of other offenses. The court, in determining the quantum of the penalty, shall also take into consideration the economic and asset conditions of the company.

2) disqualifying sanctions.

Disqualification penalties may be applied in addition to monetary penalties but only if they are expressly provided for the crime for which they are being prosecuted and only if at least one of the following conditions is met:

- the entity derived a significant profit from the crime and the crime was committed by a top person, or a subordinate, but only if the commission of the crime was made possible by serious organizational deficiencies;
- In case of repeated offenses.

The disqualifying sanctions under the Decree are:

- disqualification, temporary or permanent, from engaging in the activity;
- The suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- The prohibition of contracting with the public administration, except to obtain the performance of a public service;
- exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted;
- A temporary or permanent ban on advertising goods or services.

Exceptionally applied with definitive effects, interdictory sanctions are usually temporary, in an interval ranging from three months to one year, and are aimed at the specific activity to which the entity's offence refers. They can also be applied as a precautionary measure, prior to conviction, at the request of the Public Prosecutor, if there are serious indications of the entity's liability and there are well-founded and specific elements to believe that there is a concrete danger that offenses of the same type as the one for which the case is being prosecuted will be committed.

3) confiscation.

It consists of the acquisition by the state of the price or profit of the crime or a value equivalent to them. By profit of the crime is meant the advantage of an economic nature derived from the offence, with the clarification that by economic advantage should be understood neither net profit nor income, but an additional benefit of a patrimonial nature. For the Court of Naples (ord. July 26, 2007) it cannot, moreover, be considered extraneous to the concept of profit the failure to diminish

assets determined by the failure to disburse sums for costs that should have been incurred.

4) The publication of the judgment of conviction.

It consists of the publication of the conviction once, in excerpt or in full at the expense of the entity, in one or more newspapers specified by the court in the judgment as well as by posting in the municipality where the entity has its principal office.

Although applied by the criminal court, all sanctions are administrative in nature. The framework of sanctions under the Decree is very severe, both because of the high amount of fines and because disqualifying sanctions can greatly limit the exercise of normal business activities, precluding a number of business activities.

Administrative sanctions against the entity shall be prescribed as of the fifth year from the date of commission of the offense.

The entity's final conviction is entered in the entity's national registry of administrative crime penalties, which serves as a repository containing all decisions on penalties that have become irrevocable applied to entities under the Decree.

1.7. The modifying events of the entity

The Decree regulates the entity's liability regime in the case of modifying events, i.e., in the case of transformation, merger, demerger, and transfer of business.

The basic principle establishes that it is only the entity that is liable with its assets or its common fund for the obligation to pay the financial penalty. The rule thus excludes, regardless of the legal nature of the collective entity, that members or associates are directly liable with their assets.

The principles of civil laws on the liability of the entity undergoing transformation for the debts of the original entity are applied to the financial penalties imposed on the entity as a general criterion. Disqualification penalties, on the other hand, remain with the entity into which the branch of activity under which the crime was committed has remained (or merged).

In case of transformation of the entity, liability for crimes committed prior to the date on which the transformation took effect remains in place. The new entity will therefore be the recipient of the penalties applicable to the original entity, for acts committed prior to the transformation.

In the case of a merger, the merged entity, including by incorporation, is liable for the crimes for which the entities that participated in the transaction were responsible. If it took place before



of the conclusion of the judgment to determine the liability of the entity, the court should take into account the economic conditions of the original entity and not those of the merged entity.

In the event of the sale or transfer of the business within the scope of which the crime was committed, except for the benefit of prior enforcement of the transferor entity, the transferee is jointly and severally obligated with the transferor entity to pay the financial penalty, within the limits of the value of the transferred business and within the limits of the financial penalties that result from the mandatory books of accounts, or of which the transferee was otherwise aware. In any case, disqualification penalties apply to entities to which the branch of business within which the crime was committed remained or was transferred, even in part.

2. Adoption of the Model Gruppo Cimballi S.p.A.

In compliance with the provisions of the Decree, the Company, by resolution of the board of directors on 05/03/2009 adopted its own Organization, Management and Control Model. Both the adoption and subsequent amendment of this document are the sole responsibility of the administrative body.

The original Model, which was also inspired by the Code of Ethics for the purposes of Legislative Decree No. 231 of June 8, 2001, proposed by Confindustria in the March 2008 version, was drafted taking into account the structure and activities concretely carried out by the Company, and the nature and size of its organization. The Company carried out a preliminary analysis of its corporate context and then an analysis of the areas of activity that present potential risk profiles in relation to the commission of the crimes indicated by the Decree. In particular, the following were analyzed: the history of the Company, the corporate context, the market to which it belongs, the corporate organizational chart, the existing system of corporate governance, the system of powers of attorney and proxies, the existing legal relationships with third parties, including with reference to service contracts that regulate intercompany relations, the Company's operational reality, and the practices and procedures formalized and disseminated within the Company for the performance of operations.

Subsequent to the adoption of the first version of the Organizational Model in 2009, the Company deemed it necessary to revisit and supplement it both as a result of the introduction of some new crimes and in relation to the evolution of the corporate structure and the Group.

Added to this was the need for a review of the Organizational Model, as well as the related procedures and protocols adopted, also as a result of structural changes in the top bodies and the powers of attorney/delegations conferred on them at the time.



For the purpose of preparing this document, as supplemented and amended from the 2009 version, the Company therefore proceeded:

- to the identification of sensitive activities, i.e., the areas in which the predicate offenses specified in the Decree and subsequently included in the legislation may be committed, through interviews with the heads of company functions, analysis of company organizational charts and the system of division of responsibilities;
- to the self-assessment of risks (so-called "*control and risk self-assessment*") of the commission of crimes and the internal control system suitable for intercepting illegal behavior;
- to the identification of adequate control measures, necessary for the prevention of the crimes referred to in the Decree or for the mitigation of the risk of commission, already existing or to be implemented;
- to the review of its system of delegation of powers and authority and allocation of responsibilities , especially in relation to the principle of effective performance of certain managerial and apical functions.

In relation to the possible commission of crimes against the person (Article 25-septies of the Decree), the Company has carried out an analysis of its corporate context and all the specific activities carried out therein as well as an assessment of the risks related thereto on the basis of the results of the audits carried out in compliance with the provisions of Legislative Decree No. 81 of April 9, 2008 and the special regulations related thereto.

3. Cimballi Group model and companies

The Company, through its organizational structure, communicates the following document and any subsequent editions thereof to the companies belonging to Gruppo Cimballi.

Each company belonging to Gruppo Cimballi will endeavor to adopt its own Model of organization, management, and control, subject to a resolution of its board of directors, after analyzing and identifying the activities at risk of crime and the measures to prevent them. All companies belonging to Gruppo Cimballi, in defining their own Model, will abide by the principles and contents of this document, unless specific peculiarities inherent to the nature, size, type of activity, structure of internal delegations and powers refer to the implementation of different principles and rules of organization. It will be the responsibility of each individual company belonging to the Group to adopt its own Model and appoint its own Supervisory Board.

The Model adopted by the companies belonging to Gruppo Cimbali is communicated to the Company's Supervisory Body, which reports to the Board of Directors in the report referred to in paragraph 9.7. Any subsequent changes of a significant nature made to its Model are communicated by the supervisory bodies of the companies belonging to the Group to the Company's Supervisory Board.

The Group's individual Supervisory Boards should periodically coordinate and interface with the Company's Supervisory Board in order to verify the organizational structure of the entire Group for the purpose of preventing "231" crimes.

4. Purpose of the Model Gruppo Cimbali S.p.A.

By adopting this document, the Company intends to fulfill the regulations punctually, to be compliant with the Decree's inspirational principles, and to improve and make the existing system of internal controls and corporate governance as efficient as possible.

The main objective of the Model is to create an organic and structured system of control principles and procedures, designed to prevent, where possible and concretely feasible, the commission of the offenses set forth in the Decree. The Model will be integrated with the Company's governance system, and will implement the process of spreading a business culture marked by fairness, transparency and legality.

In addition, the Model has the following purposes:

- provide adequate information to employees to those who act on behalf of the company, or are related to the company by relationships relevant to the Decree, regarding activities that involve the risk of commission of crimes;
- spread a business culture that is based on legality, as the company condemns any behavior that does not comply with the law or internal provisions, and in particular the provisions contained in its Organizational Model;
- Spread a culture of control;
- effective and efficient organization of the enterprise, with special emphasis on the formation of decisions and their transparency, the provision of controls, preventive and subsequent, and the management of internal and external information;
- Implement all necessary measures to eliminate as soon as possible any situations of risk of commission of crimes.

5. Nature of the Model Gruppo Cimbali S.p.A.

This document constitutes the Company's internal regulations, which are binding on the Company.

The Company also approved its own Code of Ethics by resolution of the board of directors on 05/03/2009, which was subsequently revised in 2017 with the aim of incorporating into it the principles expressed in the Mission in the Company Vision. The Code of Ethics differs in nature, functions and content from this document. It is general in scope and lacks procedural implementation. The ultimate purpose of the Code of Ethics is to indicate the rules of conduct and the ethical-social values that Gruppo Cimbali S.p.A. and the companies belonging to its Group must be imbued with, in parallel with the pursuit of its corporate purpose and objectives, consistent with what is stated in this document.

The Model presupposes compliance with the provisions of the Code of Ethics by forming with it a body of internal rules aimed at the dissemination of a culture marked by ethics and corporate transparency.

The Company's Code of Ethics, which is intended herein to be referred to in its entirety, constitutes the essential foundation of the Model, and the provisions contained in the Model are supplemented by the provisions therein.

6. Amendments and updating of the Model Gruppo Cimbali S.p.A.

This document must always be promptly amended or supplemented by resolution of the board of directors, including at the proposal of the Supervisory Board, when:

- violations or circumventions of its requirements have occurred, which have demonstrated its ineffectiveness or inconsistency for the purpose of crime prevention;
- significant changes in the company's regulatory framework, organization, or business have occurred.

In the event that changes, such as clarifications or clarifications of the text, of a purely formal nature become necessary, the Company's Board of Directors may make them independently, after hearing the opinion of the Supervisory Board.

In any case, any occurrences that make it necessary to amend or update the Model must be reported by the Supervisory Board in writing to the board of directors so that it can carry out the resolutions within its competence.

Changes in company procedures necessary for the implementation of the Model take place by the Functions concerned. The Supervisory Board is constantly informed of the updated

and implementation of the new operating procedures and is entitled to express its opinion on proposed changes.

7. Crimes relevant to Gruppo Cimballi S.p.A.

The Model of Gruppo Cimballi S.p.A. was developed taking into account the structure and activities concretely carried out by the Company, as well as the nature and size of its organization.

In view of these parameters, the Company has considered the following predicate offenses of the Decree as relevant: art. 24, 25 (Crimes against the Public Administration), 25-ter (Corporate crimes), 25-octies (Receiving, laundering and use of money, goods or utilities of illegal origin), 24-bis (Computer crimes), 25-septies (Manslaughter and serious or very serious negligent injury, committed in violation of the rules on accident prevention and the protection of hygiene and health at work) 25-bis (Forgery of money), 25-novies (Copyright infringement crimes), 25-decies (Inducement not to make statements or to make false statements to the judicial authority), 25-undicies (Environmental crimes), 25-duodicies (Employment of third-country nationals whose stay is irregular), 25-quinquiesdecies (Tax crimes), 25-sexiesdecies (Smuggling)..

Specifically, within each case, the following offenses are currently considered applicable:

A. Offenses committed in relations with the Public Administration (Articles 24 and 25 of the Decree)

- **Misappropriation to the detriment of the State**, provided for in Article 316-bis of the Criminal Code and constituted by the conduct of anyone who, unrelated to the Public Administration, having obtained from the State or other public body or from the European Communities contributions, grants or financing intended to promote initiatives aimed at carrying out works or activities in the public interest, does not allocate them to the aforementioned purposes.
- **Undue receipt of disbursements to the detriment of the State**, provided for in Article 316-ter of the Criminal Code and consisting of the conduct of those who, unless the fact constitutes the crime provided for in Article 640-bis of the Criminal Code, through the use or presentation of false statements or documents or certifying untrue things, or through the omission of due information, unduly obtains, for themselves or others, contributions, financing, subsidized loans or other disbursements of the same type, however denominated, granted or disbursed by the State, other public bodies or the European Communities.
- **Fraud to the detriment of the State or another public entity**, provided for in Article 640 of the Criminal Code, 2nd paragraph, No. 1, and consisting of the conduct of those who, by artifice or deception, induce someone into

error, procures for himself or others an unjust profit to the detriment of others, if the act is committed to the detriment of the State or another public body or under the pretext of having someone exempted from military service.

- **Aggravated fraud to obtain public disbursements**, provided for in Article 640- bis of the Criminal Code and consisting of the same conduct as in the previous point, if carried out to obtain contributions, financing, subsidized loans or other disbursements of the same type, however denominated, granted or disbursed by the State, other public bodies or the European Communities.
- **Computer fraud**, provided for in Article 640-ter of the Criminal Code and constituted by the conduct of those who, by altering in any way the operation of a computer, or telematic system, or intervening without right in any manner on data, information, or programs contained in a computer, or telematic system, or pertaining to it, procure for themselves, or others, an unjust profit, to the detriment of the State or other public entity.
- **Bribery for an act of office**, provided for in Article 318 of the Criminal Code and consisting of the conduct of a public official who, in order to perform an act of his office, receives, for himself or a third party, in money or other benefits, remuneration that is not due to him, or accepts the promise of such remuneration.
- **Incitement to bribery**, provided for in Article 322 of the Criminal Code and consisting of the conduct of a person who offers or promises money or other benefits not due to a public official or a person in charge of a public service who holds the capacity of a public employee, in order to induce him to perform an act of his office, if the offer or promise is not accepted.
- **Bribery for an act contrary to official duties**, provided for in Article 319 of the Criminal Code and consisting of the conduct of a public official who, in order to omit or delay or to have omitted or delayed an act of his office, or to perform or to have performed an act contrary to official duties, receives, for himself or for a third party, money or other benefit, or accepts the promise thereof.
- **Bribery in judicial acts**, provided for in Article 319-ter paragraph 2, Criminal Code and consisting of the acts of bribery when committed to favor or harm a party in a civil, criminal or administrative trial.
- **Bribery of a person in charge of a public service**, stipulated in Article 320 of the Criminal Code, consisting of the act stipulated in Article 319 of the Criminal Code when committed by the person in charge of a public service; that stipulated in Article 318 of the Criminal Code, when the perpetrator holds the position of a public employee.

- **Bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign states**, provided for in Article 322-bis of the Criminal Code.
- **Abuse of office**, provided for in Article 323 of the Criminal Code. and consists of the conduct of the public official or the person in charge of a public service who, unless the fact constitutes a more serious crime, in the performance of his or her functions or service, in violation of specific rules of conduct expressly provided for by law or by acts having the force of law and from which no margin of discretion remains, or by omitting to abstain in the presence of his or her own interest or that of a close relative or in the other prescribed cases, intentionally procures for himself or herself or for others an unfair pecuniary advantage or causes others unjust damage.

B. Corporate Crimes (Article 25-ter of the Decree)

- **False corporate communications**, provided for in Article 2621 of the Civil Code. and consisting of the conduct of directors, general managers, auditors, and liquidators who, with the intention of deceiving shareholders or the public and in order to obtain for themselves or others an unjust profit, in financial statements, reports, or other corporate communications required by law, addressed to shareholders or the public expose material facts that do not correspond to the truth, even if they are the subject of evaluations, or omit information whose disclosure is required by law on the economic, asset, or financial situation of the company or the group to which it belongs, altering it in a way that is appreciable and capable of misleading the recipients on the aforementioned situation. Punishability is also extended to the case where the information concerns assets owned or administered by the company on behalf of third parties. The punishment is different and more serious if the above conduct has caused property damage to shareholders or creditors.

The crime of **false corporate communications**, set forth in Article 2621 of the Civil Code, was recently amended and revised by Law No. 69 of May 27, 2015, which introduced the new figure of crime according to which "outside the cases provided for in Article 2622 of the Civil Code , directors, general managers, managers in charge of drafting corporate accounting documents, statutory auditors and liquidators, who, in order to obtain for themselves or others an unfair profit, in financial statements, reports or other corporate communications addressed to shareholders or the public, provided for by law knowingly present material facts that do not correspond to the truth or omit material facts whose disclosure is required by law on the economic, asset or financial situation of the company or the group to which it belongs, in a way that is concretely likely to mislead others, shall be punished by imprisonment from one to five

years. The same penalty also applies if the falsehoods or omissions concern property owned or administered by the company on behalf of third parties."

- **Obstruction of control**, provided for in Article 2625 of the Civil Code and consisting of the conduct of directors who, by concealing documents or with other suitable artifices, prevent or otherwise obstruct the performance of control activities legally assigned to shareholders or other corporate bodies.
- **Illegal distribution of profits and reserves**, provided for in Article 2627 of the Civil Code and consisting of the conduct of directors who distribute profits or advances on profits not actually earned or allocated by law to reserves, or who distribute reserves, including those not established with profits, which may not be distributed by law.
- **Undue return of contributions**, provided for in Article 2626 of the Civil Code and constituted by the conduct of directors who, outside the cases of legitimate reduction of share capital, return, even simulated, contributions to shareholders or release them from the obligation to make them.
- **Unlawful transactions in the shares or quotas of the company or the parent company**, provided for in Article 2628 of the Civil Code and consisting of the conduct of directors who, outside the cases permitted by law, purchase or subscribe to shares or quotas of the company, causing an injury to the integrity of the share capital or reserves that cannot be distributed by law; or by directors who, outside the cases permitted by law, purchase or subscribe to shares or quotas issued by the parent company, causing an injury to the share capital or reserves that cannot be distributed by law.
- **Transactions to the detriment of creditors**, provided for in Article 2629 of the Civil Code and consisting of the conduct of directors who, in violation of legal provisions protecting creditors, carry out reductions in share capital or mergers with another company or demergers, causing damage to creditors.
- **Fictitious formation of capital**, provided for in Article 2632 of the Civil Code and consisting of the conduct of directors and contributing shareholders who, even in part, fictitiously form or increase the share capital by allocating shares or quotas in an amount that in total exceeds the amount of the share capital, reciprocal subscription of shares or quotas, significant overvaluation of contributions of goods in kind or receivables or of the assets of the company in the case of transformation.



- **Unlawful influence on the shareholders' meeting**, provided for in Article 2636 of the Civil Code and consisting of the conduct of those who, by simulated or fraudulent acts, determine the majority in the shareholders' meeting, in order to procure unfair profit for themselves or others.
- **Obstructing the exercise of the functions of public supervisory authorities**, provided for in Article 2638 of the Civil Code and consisting of the conduct of directors, general managers, auditors, and liquidators of companies or entities and other persons subject by law to public supervisory authorities, or bound by obligations to them who, in communications to the aforementioned authorities required by law, in order to hinder the exercise of supervisory functions, set forth material facts that are not true even if they are the subject of assessments, on the economic, asset or financial situation of those subject to supervision or, for the same purpose, conceal by other fraudulent means, in whole or in part, facts that they should have disclosed, concerning the same situation, even if the information concerns assets owned or administered by the company on behalf of third parties; or by the act committed by directors, general managers, auditors and liquidators of companies, or entities and the other persons subject by law to public supervisory authorities or bound by obligations to them, who, in any form, including by omitting the communications due to the aforementioned authorities, knowingly obstruct their functions.
- Law No. 190 of Nov. 6, 2012, introduced the crime of "**Bribery among private individuals**," set forth in Article 2635 of the Civil Code under which "unless the fact constitutes a more serious crime, directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators, who, as a result of the giving or promising of money or other benefits for themselves or others, perform or omit acts in violation of the obligations inherent in their office, or the obligations of loyalty, causing harm to the company, shall be punished by imprisonment from one to three years." The same act, with different punishments, is also provided for the conduct described and committed by a person who is subject to the direction or supervision of one of the above persons.
- Legislative Decree No. 38 of March 15, 2017 amended the crime of "**Bribery among private individuals**," provided for in Article 2635 of the Civil Code, in the following contents "*Unless the act constitutes a more serious crime, directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators, of private companies or entities who, also through third parties, solicit or receive, for themselves or others, undue money or other benefits, or accept the promise thereof, in order to perform or omit an act in violation of the obligations inherent to their office or obligations of loyalty,*



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shall be punished by imprisonment from one to three years. The same punishment shall apply if the act is committed by a person within the organization of the company or



of the private entity exercises management functions other than those proper to the persons referred to in the preceding sentence. The penalty of imprisonment of up to one year and six months shall apply if the act is committed by a person who is subject to the management or supervision of one of the persons indicated in the first paragraph. Whoever, including through an intermediary, offers, promises or gives money or other benefits not due to the persons indicated in the first and second paragraphs, shall be punished with the punishments stipulated therein. The punishments set forth in the preceding paragraphs are doubled if it concerns companies with securities listed on regulated markets in Italy or other states of the European Union or circulated among the public to a significant extent pursuant to Article 116 of the Consolidated Text of the provisions on financial intermediation, pursuant to Legislative Decree No. 58 of February 24, 1998, and subsequent amendments. Proceedings shall be brought on complaint by the offended person, unless the act results in a distortion of competition in the acquisition of goods or services. Without prejudice to the provisions of Article 2641, the measure of confiscation for equivalent value may not be less than the value of the utilities given, promised or offered.

- *Legislative Decree No. 38 of March 15, 2017 also introduced the new Article 2635 bis of the Civil Code, under which "Anyone who offers or promises money or other benefits not due to directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators, of private companies or entities, as well as those who work in them with the exercise of management functions, so that they perform or omit an act in violation of the obligations inherent to their office or obligations of loyalty, shall be subject, if the offer or promise is not accepted, to the penalty established in the first paragraph of Article 2635, reduced by one third. The punishment set forth in the first paragraph shall apply to directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators, of private companies or entities, as well as to those who work in them with the exercise of management functions, who solicit for themselves or others, including through a third party, a promise or giving of money or other benefits, in order to perform or omit an act in violation of the obligations inherent in their office or obligations of loyalty, if the solicitation is not accepted. It is prosecuted on complaint by the offended person."*

C. Offenses of Receiving, Laundering and Use of Money, Goods or Benefits of Unlawful Origin (Article 25-octies of the Decree)

- **Receiving stolen goods**, a crime provided for in Article 648 of the Criminal Code and consisting of the conduct of anyone who, outside the cases of complicity in the crime, in order to procure for himself or others a profit, purchases, receives or conceals money or



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things from any crime, or otherwise meddles in having them purchased, received or concealed.

- **Money laundering**, a crime provided for in Article 648-bis of the Criminal Code and consisting of the conduct of anyone who, outside the cases of complicity in the crime, replaces or transfers money, goods or other utilities resulting from a nonnegligent crime, or carries out other transactions in relation to them, so as to hinder the identification of their criminal origin.
- **Use of money, goods or benefits of illicit origin**, a crime under Article 648-ter c.p. and consists of the conduct of a person who, outside the cases of complicity in the crime and the cases provided for in Articles 648 and 648-bis, employs in economic or financial activities money, goods or other utilities from crime.

Law No. 186/2014 of December 5, 2014, effective January 1, 2015, amended Article 25-octies of the Decree, introducing the crime of "Self-Money Laundering," and reformulated the new Article 25-octies as follows

"Art 25q (Receiving, laundering and using money, goods or utilities of illicit origin, as well as self-money laundering)"

1. In relation to the crimes referred to in Articles 648, 648-bis, 648-ter and 648-ter 1 of the Criminal Code, a monetary penalty of 200 to 800 quotas shall be applied to the entity. In the event that the money, goods or other utilities come from a crime for which a penalty of imprisonment of more than a maximum of five years is established, a pecuniary penalty of 400 to 1,000 quotas shall be applied.

2. In cases of conviction for one of the crimes referred to in paragraph 1, the disqualification penalties provided for in Article 9, paragraph 2, are applied to the entity for a period not exceeding two years.

3. In relation to the offenses referred to in paragraphs 1 and 2, the Ministry of Justice, after hearing the opinion of the FIU, shall make the observations referred to in Article 6 of Legislative Decree No. 231 of June 8, 2001 (2).

(1) Article as amended by Article 3, paragraph 6, Law No. 186/2014 of December 5, 2014, effective January 1, 2015.

(2) Article as amended by Article 3, paragraph 6, Law No. 186/2014 of December 5, 2014, effective January 1, 2015.

New crime punished: article 648 - ter 1 (self laundering):

"anyone who, having committed or conspired to commit a nonnegligent crime, uses, substitutes, transfers in economic, financial, entrepreneurial or speculative activities, the



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money, goods or other utilities from the commission of such crime, so as to concretely hinder the identification of their criminal origin"

Penalty: 2-8 years imprisonment + fine of 5,000.00 to 25,000.00 euros.

The punishable conduct introduced by the new offense consists of:

- **Substitution of "dirty" money, goods, or other utilities, i.e.,** those with characteristics that trace their illicit origin to "clean" money or other assets;
- The conduct of **transfer takes the form**, according to money laundering jurisprudence, as much in the legal transfer-in the case of particular real estate or movable property- that is, in the transfer from one person to another with a change of header, as in the material displacement of the asset;
- **Employment**, in jurisprudence, means any use of illicit capital in economic or financial activities; a broader concept than that of investment, with the result that the crime is also considered to be integrated when even when the utility from the crime is indirect, as, for example, in obtaining credits bestowed through the establishment of guarantees made with illicit proceeds.

D. Computer crimes (Article 24-bis of the Decree)

- **Unauthorized access to a computer or telecommunications system**, provided for in Article 615-ter of the c.p. and consists of the conduct of a person who abusively enters, that is, circumventing any form, even minimal, of barriers to entry into a computer or telematic system protected by security measures, or remains there against the will of those who have the right to exclude him.
- **Unauthorized possession and dissemination of access codes to information or telematic systems**, provided for in Article 615-quater of the Criminal Code and consisting of the conduct of anyone who illegally obtains, reproduces, disseminates, communicates or delivers codes, passwords or other means suitable for access to an information or telematic system protected by security measures, or otherwise provides indications or instructions in this regard, in order to procure for himself or others a profit, or to cause damage to others.
- **Forgery in computer documents**, provided for in Article 491-bis of the Criminal Code (this crime extends the criminal prosecution of the crimes provided for within Book II, Title VII, Chapter III of the Criminal Code) and consists of the hypotheses of material or ideological forgery committed on public acts, certificates, authorizations, private deeds or private acts, by a representative of the Public Administration or by a private individual, if the same have as their object a "computer document with evidentiary effectiveness," i.e., a

Computer document bearing at least a simple electronic signature. "Computer document" means the computer representation of legally relevant acts, facts or data (Art.1, c.1, lett.p, L.82/2005).

- **Damage to computer information, data and programs**, provided for in Article 635- bis of the Criminal Code and consisting of the conduct of anyone who destroys, deteriorates, deletes, alters or suppresses information, data or computer programs of others, unless the act constitutes a more serious crime.
- **Damage to computer information, data, and programs used by the State or other public entity, or otherwise of public utility**, provided for in Article 635-ter of the Criminal Code and consisting of the conduct of a person who commits an act directed at destroying, deteriorating, erasing, altering, or suppressing computer information, data, or programs used by the State or other public entity or pertaining to them, or otherwise of public utility, unless the act constitutes a more serious crime.
- **Damage to computer or telematic systems**, provided for in Article 635-quater of the Criminal Code and consisting of the conduct of anyone who, through the conduct referred to in 635-bis, or through the introduction or transmission of data, information or programs, destroys, damages, renders, in whole or in part, unserviceable computer or telematic systems of others or seriously hinders their operation unless the act constitutes a more serious crime.
- **Damage to computer or telematic systems of public utility**, provided for in Article 635-quinquies of the Criminal Code and consisting of the conduct described in Article 635-quater above, if it is aimed at destroying, damaging, making, in whole or in part, unserviceable computer or telematic systems of public utility or seriously hindering their operation.

E. Crimes against the person (Art. 25-septies of the Decree)

- **Manslaughter**, provided for in Article 589 of the Criminal Code and consisting of the conduct of a person who culpably causes the death of a person, with violation of the rules on the prevention of accidents at work.
- **Grievous or grievous bodily harm**, provided for in Article 590 of the Criminal Code and consisting of the conduct of a person who culpably causes serious or grievous bodily harm to another person in violation of the rules on the prevention of accidents at work.

F. Offense of counterfeiting money, public credit cards, revenue stamps, and identification instruments and signs (Article 25-bis of the Decree)

- Related to this category of crimes, the activities of purchasing and using stamps that may be counterfeit or altered are monitored. In this regard, Article 464 of the Criminal Code punishes anyone who, not being an accomplice in the counterfeiting or alteration, makes use of counterfeited or altered revenue stamps.

G. Copyright infringement crimes (Article 25-novies of the Decree)

Included in this category of crime are the criminal offenses specified in Article 171 Law No. 633 of April 22, 1941.

Among the various crimes, the Company intends to monitor, with related mapping and procedure, the following crimes:

- Making available to the public, by placing it in a system of telematic networks, through connections of any kind, a protected intellectual work, or part of it;
- Whoever unlawfully duplicates, for profit, computer programs or for the same purposes imports, distributes, sells, holds for commercial or business purposes or leases programs contained in media not marked by the SIAE

H. Inducement not to make statements or to make false statements to judicial authorities (Article 25-decies of the Decree)

Crime introduced by Art. 2 Legislative Decree No. 121/2011, which provides "unless the act constitutes a more serious crime, anyone who, by violence or threat, or by offering or promising money or other benefits, induces a person called upon to make before the judicial authority statements usable in criminal proceedings not to make statements or to make false statements, when the person has the right to remain silent, shall be punished..."

I. Environmental crimes (Article 25-undecies of the Decree)

Environmental crimes were monitored and mapped by the Company in 2012 with the development of relevant control procedures.

The individual offenses are described in detail in the general part of this organizational model, to which reference is made for exact description and specification.

In May 2015, the environmental crimes were integrated and revisited, and the Company promptly incorporated the mapping and integration of procedures.

J. Employment of third-country nationals whose stay is irregular (Article 25-duodecies of the Decree)

Offense introduced by Legislative Decree 109/2012, effective August 9, 2012, which for the purposes of "231" legislation, covers the violation of Article 22, paragraph 12-bis, of



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1998 No. 286, pursuant to which "An employer who employs foreign workers in his employ without a residence permit provided for in the aforementioned Article 22, or whose permit has expired and whose renewal, revocation or cancellation has not been applied for within the legal deadlines, shall be punished with...."

K. Tax Crimes (Article 25-quinquiesdecies of the Decree)

- **Fraudulent declaration through the use of invoices or other documents for nonexistent transactions**, provided for in Article 2 of Legislative Decree 74/2000 and consisting of the conduct of a person who, in order to evade income or value-added taxes, using invoices or other documents for nonexistent transactions, indicates fictitious passive elements in one of the declarations relating to said taxes.
- **Fraudulent declaration by means of other artifices**, provided for in Article 3 of Leg. 74/2000 and consisting of the conduct of those who, outside the cases provided for in the preceding case, in order to evade income tax or value added tax, by carrying out simulated transactions objectively or subjectively or by making use of false documents or other fraudulent means suitable to hinder the assessment and mislead the tax authorities, indicate in one of the declarations relating to said taxes assets for an amount lower than the actual amount or fictitious liabilities or fictitious credits and deductions, when, jointly the tax evaded is greater, with reference to any of the individual taxes, than Euro 30.000; the total amount of assets evaded from taxation, including by means of indication of fictitious passive elements, is greater than 5% of the total amount of assets indicated in the declaration, or in any case, is greater than Euro 1,500,000, or if the total amount of fictitious credits and withholdings in reduction of tax, is greater than 5% of the amount of the tax itself or in any case, is greater than Euro 30,000.
- **Unfaithful declaration**, provided for in Article 4 of Legislative Decree 74/2000 and consisting of the conduct of those who, outside the cases provided for in the two previous cases, in order to evade income or value-added taxes, indicate in one of the annual declarations relating to said taxes active elements for an amount lower than the actual amount or non-existent passive elements, when, jointly: the evaded tax is higher, with reference to some of the individual taxes, than Euro 100.000; the total amount of the assets evaded from taxation, including through the indication of non-existent passive elements, is greater than 10% of the total amount of the assets indicated in the declaration, or, in any case, is greater than Euro 2,000,000.

- **Issuance of invoices or other documents for nonexistent transactions**, provided for in Article 8 of Legislative Decree 74/2000 and consisting of the conduct of those who, in order to enable third parties to evade income or value-added taxes, issue or issue invoices or other documents for nonexistent transactions.
- **Concealment or destruction of accounting documents**, provided for in Article 10 of Legislative Decree 74/2000 and consisting of the conduct of those who, in order to evade income or value-added taxes, or to allow third parties to evade them, conceal or destroy all or part of the accounting records or documents whose preservation is mandatory, so as not to allow the reconstruction of income or turnover.
- **Undue Compensation**, provided for in Article 10-quater of Legislative Decree 74/2000 and consisting of the conduct of those who fail to pay the amounts due by using undue or nonexistent credits in compensation for an annual amount exceeding 50,000 euros.
- **Fraudulent evasion of payment of taxes**, provided for in Article 11 of Legislative Decree 74/2000 and consisting of the conduct of those who, in order to evade the payment of income or value-added taxes or of interest or administrative penalties related to said taxes of a total amount exceeding 50,000 euros, simulously alienates or performs other fraudulent acts on their own or others' property suitable for making the procedure for compulsory collection in whole or in part ineffective.

L. Smuggling (Art. 25-sexiesdecies of the Decree)

This category of offenses includes offenses under the Unified Text of Customs Laws, where the offenses involve the evasion of border duties in an amount exceeding €10,000:

- **Contraband in the movement of goods across land borders and customs spaces** (Article 282 Presidential Decree 43/1973);
- **Contraband in the movement of goods in border lakes** (Article 283 Presidential Decree 43/1973);
- **Contraband in the maritime movement of goods** (Article 284 Presidential Decree 43/1973);
- **Smuggling in the movement of air cargo** (Article 285 Presidential Decree 43/1973);
- **Smuggling in non-customs zones** (Article 286 Presidential Decree 43/1973);
- **Contraband for wrongful use of goods imported with customs facilities** (Article 287 Presidential Decree 43/1973);
- **Contraband in customs warehouses** (Article 288 Presidential Decree 43/1973);

- **Smuggling in cabotage and traffic** (Article 289 Presidential Decree 43/1973);
- **Smuggling in the export of goods eligible for duty drawback** (Art. 290 PRESIDENTIAL DECREE 43/1973);
- **Contraband in temporary import or export** (Article 291 Presidential Decree 43/1973);
- **Smuggling of foreign tobacco products** (Article 291-bis Presidential Decree 43/1973);
- **Aggravating circumstances of the crime of smuggling foreign tobacco products** (Article 291-ter Presidential Decree 43/1973);
- **Conspiracy to smuggle foreign tobacco products** (Article 291-quater Presidential Decree 43/1973);
- **Other cases of smuggling** (Article 292 Presidential Decree 43/1973);
- **Aggravating circumstances of smuggling** (Article 295 Presidential Decree 43/1973).

This document identifies in the following Special Part the activities of the Company called sensitive because of the inherent risk of the commission of crimes of the species of those listed here and provides for each of the sensitive activities principles and protocols of prevention.

The Company is committed to constantly assessing the relevance to the Model of any additional offenses, current and future.

8. Addressees of the Model

The Model applies:

- a) to those who perform, even de facto, management, administration, direction or control functions in the Company or in an autonomous organizational unit thereof;
- b) to employees of the Company, even if they are posted abroad to carry out activities;
- c) to all those individuals who collaborate with the Company under a parasubordinate employment relationship, such as project collaborators, temporary workers, temps, etc;
- d) to those who, while not belonging to the Company, act by mandate or on behalf of the Company, such as attorneys, promoters, agents or consultants;
- e) to those individuals who act in the interest of the Company because they are linked to it by contractual legal relationships or other agreements, such as, for example, joint venture partners or associates for the implementation or acquisition of a business project.

The Oversight Board, after listening to the personnel management, the legal department and the person in charge of the area to which the contract or relationship pertains, establishes the types of legal relationships with any parties outside the Company to whom it is appropriate to apply the provisions of the Model, due to the nature of the activity performed. The Supervisory Board likewise establishes how the procedures necessary for compliance with the Model will be communicated to the external parties involved.

All recipients of the Model are required to comply punctually with its provisions and its implementation procedures.

9. Supervisory Board

9.1. Function

The Company establishes, in compliance with the Decree, a Supervisory Board, which is autonomous, independent and competent in the control of risks related to the specific activity carried out by the Company and its legal profiles.

The Supervisory Board is responsible for constant vigilance:

- On compliance with the Model by the Company's corporate bodies, employees and consultants;
- On the actual effectiveness of the Model in preventing the commission of the crimes referred to in the Decree;
- On the implementation of the requirements of the Model in the performance of the Companies' activities;
- on the updating of the Model, in the event that it is found to be necessary to adapt it due to changes that have occurred in the company's structure and organization or in the regulatory framework of reference.

The Supervisory Board shall have its own Rules of Operation, approving their contents and presenting them to the board of directors at the first meeting following appointment.

9.2. Appointment of members of the Supervisory Board

The board of directors appoints the Supervisory Board, giving reasons for the decision regarding the selection of each member, who shall be selected exclusively on the basis of requirements of:

- autonomy, understood as the ability to make decisions independently and with full exercise of technical discretion in the performance of one's duties;
- independence, understood as a condition of the absence of ties, interests or forms of interference with other corporate functions or third parties, which may impair the objectivity of decisions and actions;
- professionalism, understood as a wealth of specialized technical tools and knowledge (legal, accounting, statistical, business and organizational), such that the assigned activity can be carried out effectively;
- continuity of action understood as the ability to operate with an adequate level of commitment, predominantly intended for the supervision of the Model.

The Supervisory Board is composed, within the above parameters, in a collegial form of at least two members who are not members of the Company's staff.

After formal acceptance of the nominees, the decision is communicated to all levels of the company via internal communication.

The Supervisory Board may make use of an expert in workplace safety.

The SB remains in office until the expiration of the board of directors that appointed it. Members of the SB are eligible for re-election.

9.3. Eligibility requirements

Each member of the Supervisory Board must be endowed with professionalism, honorability, independence, functional autonomy and continuity of action, as well as the necessary competence to carry out the tasks entrusted by the Decree.

All members of the Supervisory Board are required in advance not to be in any of the following conditions of ineligibility and/or incompatibility:

- being investigated or having been convicted, even with a non-final sentence, for committing one of the crimes provided for in Legislative Decree 231/01;
- Having been convicted, even by a non-final judgment, of any non-negligent crime other than those indicated in the preceding point;
- being disqualified, incapacitated, bankrupt, or having been sentenced, even in the first instance, to a punishment involving disqualification, including temporary disqualification, from public office or inability to hold executive office.

The occurrence of even one of the above conditions results in ineligibility for the office of member of the SB and, in the event of election, automatic disqualification from that office, without the need for a resolution of revocation by the board of directors, which will provide for replacement.

In addition, the majority of the members of the same body are required in advance not to be in any of the following conditions:

- Hold other operational positions within the company;
- Being in an obvious or potential conflict of interest situation.

9.4. Revocation, replacement, forfeiture, and withdrawal

Removal from the position of member of the SB can only occur by resolution of the board of directors and only if there is just cause.

These are legitimate conditions for revocation for cause:

- The loss of eligibility requirements;
- Failure to fulfill the obligations inherent in the assignment given;
- The lack of good faith and diligence in the performance of their duties;
- Failure to cooperate with other members of the SB;
- unexcused absence from more than two meetings of the SB;

In the presence of just cause, the board of directors shall revoke the appointment of the member of the SB who is no longer suitable and, after adequate justification, provide for his or her immediate replacement.

It shall be cause for disqualification from holding office, before the expiration of the term provided for in Section 9.2, if he/she becomes incapacitated or unable to hold office.

Each member of the Supervisory Board may withdraw from the position at any time, subject to a minimum of one month's notice in writing and stating reasons to the board of directors.

In the event of disqualification or withdrawal in the head of one of the members of the SB, the board of directors shall promptly provide for the replacement of the member who has become unsuitable, also with a report from the Chairman of the SB.

9.5. Convening and conducting activities

The Supervisory Board meets at least every four months and whenever one of the members makes a written request to the Chairman. In addition, during the course of the first useful meeting, it may

Delegate specific functions to the chairman, appointed from within the board of directors.

9.6. Powers

In order to carry out its assigned tasks, the Supervisory Board is vested with all powers of initiative and control over every company activity and personnel level, and has exclusive hierarchical dependence on the board of directors, to which it reports through its chairman.

The duties and attributions of the SB and its members cannot be syndicated by any other corporate body or structure, it being understood that the board of directors can verify the consistency between what the Body itself carries out and the company's internal policies.

The Supervisory Board performs its functions by coordinating with other existing control bodies or functions in the Company. In particular:

- coordinates with the personnel department regarding aspects of personnel training pertaining to issues pertaining to the Decree;
- collaborates with the legal department in what concerns the interpretation and updating of the regulatory framework, as well as the drafting of contractual clauses governing the application of the Model to parties outside the Company;
- coordinates with company functions that carry out risk activities for all aspects related to the implementation of operational procedures for implementing the Model.

The Supervisory Board, in supervising the effective implementation of the Model, is endowed with powers and duties that it exercises in compliance with the law and the individual rights of workers and stakeholders, articulated as follows:

- a) Carry out or arrange to have carried out, under its direct supervision and responsibility, periodic inspection activities;
- b) Access to all information regarding the Company's sensitive activities;
- c) to request information or the production of documents regarding sensitive activities, from all Company employees and, where necessary, from directors, the Board of Statutory Auditors and the auditing firm, and from persons appointed in compliance with the provisions of the regulations on accident prevention, safety and health protection in the workplace;
- d) to request information or the production of documents regarding sensitive activities from collaborators, consultants, agents and external representatives of the Company and in general from all recipients of the Model, identified in accordance with paragraph 8;

- e) request, when deemed appropriate in the performance of its functions, information from any Supervisory Bodies of companies belonging to Gruppo Cimballi;
- f) Avail themselves of the help and support of employees;
- g) Make use of outside consultants if issues arise that require the help of special expertise;
- h) Propose to the body or function holding disciplinary power the adoption of the necessary sanctions, referred to in paragraph 11 below;
- i) periodically review the Model and, where necessary, propose any changes and updates to the board of directors;
- j) Establish, in consultation with the personnel manager, personnel training programs in the area of "231" issues;
- k) periodically, at least annually, prepare a written report to the board of directors, with the minimum contents specified in the following paragraph;
- l) in the case of the occurrence of serious and urgent facts detected in the performance of its activities, immediately inform the board of directors;
- m) identify and periodically update, after consultation with the head of personnel, the legal department and the head of the area to which the contract or relationship relates, the types of legal relationships with parties external to the Company to which it is appropriate to apply the Model, as well as determine how the Model should be communicated to such parties and the procedures necessary for compliance with its provisions.

The Supervisory Board determines its annual budget and submits it to the board of directors for approval.

9.7. Information flows to and from the organization

The Supervisory Board is obliged to report solely to the board of directors, including on relevant facts of its office or any urgent critical issues of the Model that have emerged in its supervisory activities as well as on reports of crimes/offenses received.

It is mandatory for the SB to submit at least annually, a written report outlining the following specific information:

- The summary of the activity and controls carried out by the SB during the year;

- Any discrepancies between the operational procedures implementing the provisions of the Model;
- Any new areas of commission of crimes under the Decree;
- The verification of reports received from external or internal parties concerning possible violations of the Model and the results of the verifications concerning such reports;
- disciplinary procedures and any sanctions applied to the Company, meaning only those pertaining to risk activities;
- A general evaluation of the Model, with possible proposals for additions and improvements in form and content, on its effective functioning;
- Any changes in the relevant regulatory framework;
- the summary of relevant facts, disciplinary sanctions applied and significant changes made to the Model of member companies;
- A statement of expenses incurred.

The Supervisory Board, through the establishment of an operating procedure, can establish the other types of information that managers involved in the management of sensitive activities must transmit along with the frequency and manner in which such communications are forwarded to the same Board.

9.8. Reporting crimes or violations of the Model.

All recipients of the Model must report any violations of the Model or conduct, by other recipients of the Model, that may constitute offenses under Legislative Decree 231/2001, through the different channels made available by the Company:

- Paper form with confidential internal mail addressed to the Supervisory Board;
- appropriate web portal, which can be reached at:

<https://wbgruppocimbali.sharepoint.com/sites/whistleblowing>

Reports must describe in detail the facts and people who are the subject of the report.

Through special procedure, they are regulated:

- the methods of reporting, the operation of channels through which they can make reports;

- the person/company function to whom the reports themselves should be sent and the manner in which reports relevant to the activity of the SB itself should be forwarded;
- the methods, roles and responsibilities for handling reports received, so as to ensure the confidentiality of the reporter's identity and compliance with the other regulatory provisions below.

Behavior aimed solely at slowing down the activity of the recipient of the reports/SVB is sanctioned.

Pursuant to Article 6, paragraph 2-bis, lett. c) of the Decree, the Company guarantees the confidentiality of whistleblowers and guarantees whistleblowers in good faith against any form of retaliation, discrimination or penalization for reasons directly or indirectly related to the report, without prejudice to the right of the successors in title to protect themselves if criminal or civil liability is established against the whistleblower related to the falsity of the statement and without prejudice to legal obligations. In any case, the confidentiality of the identity of the reporter and of the information in any context subsequent to the report itself shall be ensured, without prejudice to legal obligations and the protection of the rights of the Company or persons wrongly accused or in bad faith. A report is considered to be made in good faith when it is made on the basis of a reasonable belief based on factual evidence.

Information concerning news about disciplinary proceedings and sanctions disbursed or the orders to dismiss such proceedings with the reasons for them must be mandatorily forwarded to the SB.

10. Performance by other companies

The provision of goods or services by companies belonging or not belonging to Gruppo Cimballi, with particular reference to goods and services that may relate to sensitive activities, must be regulated in the form of a written contract, communicated to the Company's Supervisory Board.

The contract between the parties should include the following clauses:

- The obligation on the part of the lending company to attest to the truthfulness and completeness of the documentation produced and information reported to the Company;
- A commitment by the lending company to comply, during the term of the contract, with the requirements set forth in the Code of Ethics and the Model.

- the obligation to comply with any request for information, data or news from the Company's Supervisory Board, provided that this obligation is expressly stipulated in the contracts or mandates that bind the external party to the Company.

Failure to comply with any of the above conditions must be duly justified and communicated in writing to the Supervisory Board of each of the parties involved.

11. Penalty system

11.1. General principles

The Company condemns any behavior that differs not only from the law, but also from the provisions of the Model and the Code of Ethics, even if the behavior is carried out in the interest of the Company or with the intention of bringing it an advantage.

Any violation of the Model or the procedures established to implement it, by anyone committed, must be immediately communicated, in writing, to the Supervisory Board, without prejudice to the procedures and measures under the jurisdiction of the holder of disciplinary power.

The duty to report falls on all recipients of the Model.

After receiving the report, the Supervisory Board must immediately put in place the necessary investigations, subject to maintaining the confidentiality of the person against whom it is proceeding. Sanctions shall be taken by the relevant corporate bodies under the powers granted to them by the Company's bylaws or internal regulations. After the appropriate assessments, the SB will inform the holder of disciplinary power who will initiate the procedural process for the purpose of charges and the hypothetical application of sanctions.

By way of example, the following behaviors constitute disciplinary infractions:

- violation, including by omissive conduct and in possible concurrence with others, of the principles and procedures provided for in the Model or established for its implementation;
- The preparation, possibly in conjunction with others, of untrue documentation;
- The facilitation, through omissive conduct, of the preparation by others of untrue documentation;
- The removal, destruction or alteration of documentation inherent in the procedure in order to evade the system of controls provided by the Model;
- Obstruction of the supervisory activities of the SB;

- The impediment of access to information and documentation requested by those responsible for monitoring procedures and decisions;
- the performance of particularly serious acts of retaliation or discrimination against anyone who has reported an illegal conduct, relevant for the purposes of Legislative Decree 231/2001, or a violation of the Model, for reasons directly or indirectly related to the report itself;
- Violation of confidentiality obligations regarding the identity of whistleblowers of misconduct;
- The transmission of reports that turn out to be unfounded if made with malice or gross negligence;
- The performance of any other conduct suitable for circumventing the control system provided by the Model.

11.2. Sanctions and disciplinary measures

The Model, in accordance with the provisions of the CCNL, constitutes a set of rules to which the staff must adhere, with regard to rules of conduct and sanctions: any violation of it, therefore, entails the application of the disciplinary procedure and related sanctions. All personnel employed at all levels (blue-collar workers, white-collar workers, middle managers and executives) and bound to the Company by any contract of employment (full-time or part-time) with or without subordination (including those of a para-subordinate nature), are required to comply with the provisions contained in the Model.

With respect to employees with blue-collar, white-collar and middle-collar status, the disciplinary system is applied in accordance with Article 7 of Law No. 300 of May 20, 1970 (Workers' Statute) and the current CCNLs for the category. If the act also constitutes a violation of duties deriving from the law or from the employment relationship, such that the continuation of the employment relationship is no longer possible even on a provisional basis, dismissal without notice may be decided, in accordance with Article 2119 of the Civil Code, subject to compliance with the disciplinary procedure.

If the violation concerns managers, the Supervisory Board must notify the holder of the disciplinary power and the board of directors, in the person of the President and the managing director, by means of a written report. The recipients of the communication shall initiate the procedures within their competence for the purpose of charges and the possible application of the sanctions provided by law and the applicable CCNL, with the possible revocation of procedures or delegations.

If the violation concerns a director of the company, the Supervisory Board must immediately notify the board of directors and the board of auditors by means of a written report. In this case, the board of directors may apply any measure provided for by law, determined on the basis of the seriousness, fault and damage caused to the company.

In the most serious cases and when the violation is such as to damage the relationship of trust with the Company, the board of directors shall convene the shareholders' meeting and propose removal from office.

In the event of a violation by a member of the board of auditors, the board of directors, if the violations are such as to constitute just cause for dismissal, shall propose to the shareholders' meeting the adoption of measures within its competence and take such further steps as are required by law.

Relationships with third parties are governed by appropriate formal contracts that must provide for the existence of the clauses of compliance with the Model and the Code of Ethics by these external parties. In particular, failure to comply with one or more provisions of the Model must result in the termination for just cause of the same relationships, without prejudice to any claim for compensation if concrete damage to the Company results from such behavior.

Failure to include clauses on compliance with the Model and the Code of Ethics must be communicated by the function in whose sphere the contract operates, with due justification to the Supervisory Board.

12. Communication and training

Communication of the Model is entrusted to the personnel management function, which ensures, through the means deemed most appropriate, its dissemination and effective knowledge to all recipients referred to in paragraph 8.

The SB determines how to implement to the Model's recipients outside the Company.

It is the Company's task to implement and formalize specific training plans, with the aim of ensuring effective knowledge of the Decree, the Code of Ethics and the Model on the part of all company departments and functions. The provision of training should be differentiated according to whether it is aimed at employees in their generality, employees operating in specific risk areas, the supervisory body, directors, etc., based on the analysis of skills and training needs prepared by the personnel management.



Personnel training for the purpose of implementing the Model is managed by the personnel management function in close cooperation with the Supervisory Board, which ensures that training programs are delivered in a timely manner.

The Company ensures the provision of means and methods that always ensure the traceability of training initiatives and the formalization of participants' attendance, the possibility of evaluating their level of learning, and the assessment of their level of enjoyment of the course, in order to develop new training initiatives and improve those currently underway, including through comments and suggestions on content, material, lecturers, etc.

The training, which can also take place remotely or through the use of computer systems, and whose contents are screened by the Supervisory Board, is carried out by experts in the discipline dictated by the Decree.

Special Part

1. Introduction

Pursuant to the provisions of Article 6 paragraph a) of the Decree, the Company, through a process of risk mapping, assessment of activities, existing controls and the business environment in which it operates (so-called *control and risk self-assessment*), has identified the *sensitive* activities (divided by type of crime and listed in the following paragraphs), within which crimes among those provided for in the Decree could potentially be committed.

In order to prevent or mitigate the risk of the commission of these crimes, the Company has therefore formulated general principles of conduct and general prevention protocols applicable to all sensitive activities and specific prevention protocols for each of the identified risk activities.

2. General principles of behavior

All recipients of the Model, as identified in paragraph 8 of the General Section, adopt rules of conduct in accordance with the law, the provisions contained in this document and the principles contained in the Code of Ethics, in order to prevent the occurrence of offenses under the Decree.

In particular, the principles of conduct identified in the Code of Ethics, which is hereby referred to in its entirety, referring to the various types of recipients and/or counterparts, constitute a prerequisite for and an integral part of the control protocols referred to in paragraph 3 below.

For the purpose of adopting and implementing the Organization, Management and Control Model, the Company also undertakes to implement the specific protocols set out below.

3. General prevention protocols

In the context of all operations involving sensitive activities, referred to in the following paragraphs, the general control protocols implement the following principles:

- the formation and implementation of the Company's decisions comply with the principles and requirements contained in the provisions of the law, the Memorandum of Association and the Company's Code of Ethics;
- management, coordination and control responsibilities within the Company are formalized;

- levels of hierarchical dependence are formalized and the different tasks present within the Company are described;
- the formation stages and authorization levels of the Company's acts are always documented and reconstructible;
- the system of proxies and signatory powers to the outside world is consistent with the responsibilities assigned to each director, and awareness of these powers by external parties is ensured by appropriate communication and publicity tools;
- the assignment and exercise of authority within a decision-making process is congruent with positions of responsibility and the significance and/or criticality of the underlying economic transactions;
- there is no subjective identity between those who make or implement decisions, those who are required to give accounting evidence of them, and those who are required to carry out the controls on them required by law and by the procedures covered by the internal control system;
- for all risk operations involving sensitive activities, procedures and guidelines are implemented and enforced and an *internal manager* is identified for the implementation of the operation, which corresponds, unless otherwise specified, to the head of the department responsible for managing the risk operation under consideration. The internal manager:
 - may request information and clarification from all business functions, business units, or individuals who are or have been involved in the risk operation;
 - Promptly inform the Supervisory Board of any critical issues or conflicts of interest;
 - may call on the Supervisory Board in all cases of ineffectiveness, inadequacy or difficulty in the implementation of prevention protocols or operational procedures for their implementation or in order to obtain clarifications regarding the objectives and prevention methods set forth in the Model.
- Access to the Company's data complies with Legislative Decree No. 196 of 2003 and subsequent amendments or additions, including regulations;
- documents concerning the formation of decisions and their implementation are archived and stored by the relevant function. Access to documents already archived is allowed only to authorized persons according to operational procedures

company, as well as to the board of auditors, the auditing company and the Supervisory Board;

- the choice of any external consultants is justified and is made on the basis of requirements of professionalism, independence and competence, as well as on the basis of precise quality standards predetermined by the company;
- rewarding remuneration systems to employees and contractors respond to realistic objectives consistent with the tasks and activities performed and the responsibilities entrusted;
- the Company's financial flows, both incoming and outgoing, are constantly monitored and always traceable, as well as controllable by different and distinct responsible figures;
- all forms of donations aimed at promoting goods, services or the image of the Company must be authorized, justified and documented;
- the Supervisory Board verifies that the company's operating procedures governing activities at risk, and which form an integral part of the company's organizational Model, fully implement the principles and prescriptions contained in this Special Section, and that they are constantly updated, including at the suggestion of the Board, in order to ensure the achievement of the purposes of this document.

A. Crimes against the Public Administration

For the purposes of the Decree, all those entities, public or private, that perform a *public function* or *public service* are considered "Public Administration."

Civil service refers to activities governed by public law that pertain to legislative (state, regions, provinces with special statutes, etc.), administrative (members of state and territorial administrations, Police Forces, members of supranational administrations, members of Authorities, Chambers of Commerce, members of Building Commissions, testers of public works, appraisers of the Italian Naval Registry, etc.), judicial (judges, bailiffs, auxiliary bodies of the Administration of Justice such as receivers or liquidators in bankruptcy, etc.) functions.

The civil service is characterized by the exercise of:

- *authoritative power*, i.e., that power which enables the Public Administration to achieve its ends by means of actual commands, with respect to which the private individual is in a position of subjection. This is the activity in which the so-called power of imperium is expressed, which includes both the power of coercion (arrest, search, etc.) and the power to challenge violations of the law (assessment of contraventions, etc.), and the powers of hierarchical supremacy within public offices;
- certifying power is that which gives the certifier the power to certify a fact into evidence up to the point of perjury.

Public service is defined as:

- the activities of producing goods and services of general interest and subject to supervision by a Public Authority;
- activities aimed at guaranteeing the person's rights to life, health, liberty, social security and welfare, education, freedom of communication, etc., under concession and/or convention.

Individuals representing the public administration who perform a public function or public service and with whom a direct relationship is established are referred to as *public officials* or *public service officers*.

A public official is one who can form or manifest the will of the public administration or exercise authoritative or certifying powers.

By way of example but not limited to, members of state and territorial administrations, members of supranational administrations (e.g.

of the European Union), the NAS, members of the Supervisory Authorities, members of the Police and the Guardia di Finanza, members of the Chambers of Commerce, administrators of public economic entities; members of the Building Commissions, judges, bailiffs, and auxiliary bodies of the Administration of Justice (e.g., receivers).

On the other hand, the person in charge of a public service performs activities pertaining to the care of public interests or the satisfaction of needs of general interest subject to the supervision of a public authority. Criminal jurisprudence has clarified that the bureaucratic framing of the person in the structure of a public body is not a criterion for recognizing the status of public service appointee, since what matters is the activity actually carried out by the person. Therefore, even a private individual or the employee of a private company can be qualified as a public service appointee when he or she carries out activities aimed at the pursuit of a public purpose and the protection of a public interest.

By way of example but not limited to, employees of the National Health Service, employees of the cash office of a public institution, employees of hospital institutions, the ASL, INAL, INPS, employees of municipal energy companies, banks, post offices, customs offices, members of city councils, employees of the State Railways and the Highway Company are considered to be public servants.

A1.Sensitive activities within the scope of crimes against public administration

Through a *control and risk self-assessment* that is an integral part of the Model, the Company has identified the *sensitive and instrumental* activities listed below within the scope of which crimes against the Public Administration provided for in Articles 24 and 25 of the Decree could potentially be committed.

- Management of audits by PA or public service or certifying bodies.
- Management of tax and fiscal matters with the tax authorities, including through outside professionals.
- Management of relations with the Judicial Authority, including through external professionals.
- Managing compliance with PA for permits, concessions, licenses, waste disposal, etc.
- Management of regulatory, administrative and corporate compliance (e.g., power of attorney filing, privacy).

- Collaboration with universities for research projects, scholarships, etc.
- Application, management, monitoring of subsidized financing, grants, tax exemptions, social security, employment grants, training. etc..
- Registration of trademarks and patents.
- Sales and service of coffee machines to Public Administration.
- Management of financial resources.
- Consulting management (administrative, tax, etc.).
- Management of expense reports.
- Management of the personnel selection process.
- Management of company capital assets and utilities (e.g., cars, cell phones, personal computers, company credit cards, etc.), and the management of the company's
- Management of marketing activities (e.g., promotions, sponsorships, advertising, etc.).

A2. Specific prevention protocols

For operations concerning the **management of inspections by the PA or persons in charge of public service or certifying bodies**, the protocols provide:

- Judicial, tax or administrative inspections are attended by the persons specified in the respective procedure;
- the person in charge of the audit informs the SB of the beginning and end of the proceedings, as well as of any critical issues that emerge during its conduct, and transmits copies of the minutes prepared by the inspection authorities.

For operations concerning **the management of fiscal and tax aspects with the Financial Administration and the management of relations with the Judicial Authority, including through external professionals**, the protocols stipulate that:

- a manager is always identified, consistent with the subject matter, with the necessary powers to represent the company or to coordinate the actions of any outside professionals;

- the identified responsible person informs the SB of the start of the judicial or tax proceedings, the findings of the various stages of judgment, the conclusion of the proceedings, as well as any critical issues that may be encountered *in the process*.

For operations concerning **the management of compliance with PA for permits, concessions, licenses, waste disposal, etc.; management of regulatory, administrative and corporate compliance; collaboration with universities for research projects, scholarships, sale and service of coffee machines to PA; registration of trademarks and patents;** protocols provide:

- all acts, requests, formal communications, and contracts that have the PA as a counterparty must be handled and signed only by those with appropriate powers according to internal regulations;
- the internal manager for the implementation of the operation identifies the most appropriate tools to ensure that the relationships held by his or her function with the PA are always transparent, documented and verifiable;
- the internal person responsible for the implementation of the operation authorizes in advance the use of data and information concerning the Company and intended for acts, communications, attestations and requests of any nature forwarded or having as recipients the PA;
- the internal manager for the implementation of the operation verifies that the documents, statements and information submitted by the Company to obtain authorizations or concessions are complete and truthful.

For operations concerning **the application, management, and monitoring of subsidized financing, grants, tax exemptions, social safety net, employment grants, training grants, etc.**, the protocols stipulate that:

- the internal manager for the implementation of the operation, verify that the statements and documentation submitted in order to obtain the loan or grant are complete and represent the true economic, asset and financial situation of the Company;
- financial resources obtained as a public contribution, grant, or financing are used exclusively for the initiatives and achievement of the purposes for which they were requested and obtained;

- the use of these resources must always be justified by the applicant, who must attest to their consistency with the purposes for which the funding was requested and obtained.

For operations concerning the **management of financial resources**, the protocols provide:

- limits are established on the autonomous use of financial resources, through the definition of quantitative expenditure thresholds, consistent with management competencies and organizational responsibilities. Exceeding the assigned quantitative spending limits may occur only and exclusively for proven reasons of urgency and in exceptional cases: in such cases it is provided that the exceptional event is remedied through the issuance of the appropriate authorizations;
- transactions involving the use or deployment of economic or financial resources have express causation and are documented and recorded in accordance with the principles of professional and accounting propriety;
- the use of financial resources is justified by the requesting party, including through the mere indication of the type of expenditure to which the operation belongs;
- no payment or collection may be settled in cash, except via express authorization from administrative management and in any case for amounts not exceeding sums handled through petty cash;
- the Company uses only financial and banking intermediaries subject to transparency and fairness regulation in accordance with European Union regulations;
- quantitative limits on the disbursement of cash advances and reimbursement of expenses incurred by Company personnel are established in advance, depending on the nature of the service provided. Reimbursement of expenses incurred must be requested through the completion of specific forms and only upon production of appropriate supporting documentation for the expenses incurred.

For operations concerning **consulting management**:

- External consultants are chosen based on the requirements of professionalism, independence and competence;
- the identification of external consultants is always justified by the corporate function responsible for selection;

- the appointment of consultants takes place in accordance with the procedures, authorizations and internal controls adopted by the Company;
- the appointment of external consultants shall be made in writing with an indication of the agreed fee and the content of the service;
- contracts regulating relations with consultants must include special clauses recalling the obligations and responsibilities arising from the Decree and compliance with the Model, which must be communicated to them together with the Code of Ethics, in accordance with paragraph 10 of the General Section;
- no compensation or fees are paid to consultants in an amount that is not congruous with the services rendered to the Company or that is not in accordance with the assignment given, existing market conditions or practices, or current professional rates for the relevant category;
- contracts regulating relations with such parties must include appropriate clauses indicating clear responsibilities for failure to comply with any contractual obligations arising from acceptance of the Code of Ethics and the Model.

For **expense report management** operations:

- is identified, according to the hierarchical levels present in the company, the person responsible for authorizing ex ante or ex post (depending on the types of trips, missions or travel outside the usual places of work), expense reports to requesting parties;
- expense reports are managed in the manner communicated to all personnel, in terms of compliance with the limits specified by company policies, the purposes of the expenses incurred, the forms, the required authorization levels, and the settlement of reimbursement amounts.

For **personnel selection and recruitment** operations:

- functions that request personnel selection and recruitment formalize the request through the completion of specific forms and within an annual budget;
- the request is authorized by the appropriate manager according to internal procedures;
- requests for hiring outside the limits specified in the budget shall be justified and duly authorized in accordance with internal procedures;

- candidate evaluations are formalized in appropriate documentation, the archiving of which is ensured by the personnel manager;
- relationships, direct or indirect, between the candidate and the Public Administration are ascertained and evaluated in advance.
- The requirements of Article 25 - duodecies of the Decree are also assessed for the employment of any third-country nationals who require a residence permit, with particular regard to the regularity of the residence permit, any application for renewal and its regular issuance.

For **management operations of capital assets and corporate utilities:**

- the allocation of the instrumental asset is justified, due to the role and task of the beneficiary staff and through formal request of the person concerned;
- the request must be duly authorized by personnel management;
- there are cases of revocation of the assigned asset in case of violation of company procedures or regulations during their use.
- In the case of the assignment of computerized corporate assets (by way of example but not limited to smartphones, tablets, PCs), there are cases of revocation of the assigned asset for ascertained violation of corporate procedures regarding the use of computer programs and their dissemination, for the specific purpose of preventing computer crimes under Article 24-bis of the Decree, and crimes regarding copyright infringement under Article 25-novies of the Decree.

For **marketing management operations:**

- marketing activities must be directly and exclusively related to the Company's business and aimed at enhancing and promoting the Company's image and culture;
- all other forms of liberality must not only be aimed at lawful and ethical activities, but also authorized, justified and documented.

B. Corporate crimes

B1.Sensitive activities under corporate crimes

Through the *control and risk self-assessment* activity, which is an integral part of the Model, the Company has identified the *sensitive and instrumental* activities listed below, within the scope of which, potentially, corporate crimes under Article 25-ter of the Decree could be committed.

- Valuations and estimates of subjective financial statement items; recognition, recording, and representation of business activities in accounting records, reports, financial statements, and other business documents; updating the chart of accounts; and financial statement formation, including in relation to the new crime of bribery among private parties.
- Management of extraordinary operations.
- Managing relationships with shareholders, the board of auditors, and the auditing firm.
- Information systems management.
- Management of financial resources in relation to the new crime of bribery among private individuals.
- Transactions concerning the management of consultancies in relation to the new crime of bribery among private individuals.
- Operations concerning the management of expense reports and related reimbursements in relation to the new crime of bribery among private individuals.
- Operations concerning personnel selection and recruitment in relation to the new crime of bribery among private individuals.
- Procurement management in relation to the new crime of bribery among private individuals.
- Procurement and investment management in relation to the new crime of bribery between private parties.

B2.Specific prevention protocols

For transactions involving **the valuation and estimation of subjective financial statement items; the recognition, recording, and representation of business activities in accounting records, reports, financial statements, and other business documents; updating the chart of accounts; and financial statement formation**, the protocols provide:

- The adoption of an accounting manual or alternatively of accounting procedures, constantly updated, where the data and information to be provided by each function or organizational unit, the accounting criteria for data processing and the timeline for the

their transmission to the responsible functions, as well as the criteria and procedures for consolidating the financial statement data of subsidiaries;

- all recognition and recording of business activities are carried out fairly and in accordance with the principles of truthfulness and completeness;
- the heads of the various corporate functions and subsidiaries provide the Administration, Finance and Legal Department with the information requested from them in a timely manner and attesting, where possible, to the completeness and truthfulness of the information, or indicating the individuals who can provide such attestation;
- where useful for the understanding of the information, those responsible for it shall indicate the original documents or sources from which the transmitted information is taken and processed, and, where possible, attach copies;
- the collection, transmission and aggregation of accounting information aimed at the preparation of social communications is carried out exclusively through methods that can ensure the traceability of individual steps in the data formation process and the identification of the individuals who enter data into the system; the access profiles to this system are identified by the information systems department, which ensures the separation of functions and the consistency of authorization levels;
- any changes to budget items or the criteria for accounting for them are authorized by the general manager;
- a request by anyone for unjustified changes in the criteria for accounting recognition, recording and representation or quantitative changes in data from those already accounted for under the Company's operating procedures must be immediately reported to the Supervisory Board;
- drafts of the financial statements and other accounting documents are made available to the directors reasonably in advance of the board meeting called to deliberate on the approval of the financial statements;
- if the operations covered by this protocol are outsourced, the Company shall communicate to the service provider, in accordance with paragraph 10 of the General Part of this document, its Code of Ethics and its Model, compliance with which it requires through appropriate contractual clauses.

For operations concerning **the management of extraordinary transactions**, including those affecting share capital or equity, the protocols stipulate that:

- each transaction is submitted to and approved by the board of directors of the companies involved in the extraordinary transaction;
- the function proposing the transaction, or competent according to company procedures, prepares appropriate documentation to support the proposed transaction, as well as a preliminary information report explaining the content, underlying interest, and strategic purpose of the transaction;
- where required, the independent auditors and the Board of Statutory Auditors give reasoned opinions on the transaction;
- for the purpose of recording the transaction in the accounts, the administration, finance and legal department shall first verify the completeness, relevance and correctness of the supporting documentation of the transaction.

For operations concerning the **management of relations with shareholders, the board of auditors and the auditing firm**, the protocols stipulate that:

- the head of the general management and the head of the administration, finance and legal department are identified as responsible for collecting and processing the information requested and forwarded to the board of auditors and the auditing firm, after checking its completeness, relevance and correctness;
- requests for and transmissions of data and information, as well as any remarks, communications, or assessments made by the board of auditors and the auditing firm, shall be documented and retained by the two parties mentioned in the preceding paragraph;
- all documents relating to transactions on the agenda of meetings of the shareholders' meeting or the board of directors or, in any case, relating to transactions on which the board of auditors or the auditing firm must express an opinion, are communicated and made available reasonably in advance of the date of the meeting;
- criteria for selection, evaluation, and engagement of the auditing firm are formalized;
- free access to company accounts and anything else required for proper performance of the assignment is guaranteed to the auditing firm, the board of auditors, and the shareholders.

For the **management of information systems**, the Company has appropriate control measures provided for the prevention of computer crimes and described in Section E) of this special section.

For the management of financial resources, consulting, expense note management, personnel selection and recruitment, in relation to the new crime of bribery among private parties, procurement management, contract management and investment management, reference is made to what is described in the section on crimes against public administration, with integration of what is provided in the following section on the crime of bribery among private parties.

C) Offenses of Receiving, Laundering and Using Money, Goods or Benefits of Unlawful Origin - Self-Money Laundering

C1.Sensitive activities within the scope of the crimes of receiving, laundering and using money, goods or utilities of illicit origin

Through a *control and risk self-assessment* that is an integral part of the Model, the Company has identified the *sensitive* activities listed below, within the scope of which, potentially, crimes of receiving, laundering and using money, goods or utilities of illicit origin provided for in Article 25-octies of the Decree could be committed.

- Activities of selecting suppliers and purchasing raw materials, semi-finished goods, other goods or utilities.
- Customer selection activities and sales of finished products, goods and services.
- Management of collections and payments.

C2.Specific prevention protocols

For operations concerning the activities of **selecting suppliers and customers; purchasing raw materials, semi-finished goods, other goods or utilities; and selling finished goods, goods and services**, the protocols stipulate that:

- anomaly indicators are identified to detect any "risk" or "suspicious" transactions with suppliers and customers based on the:

subjective profile of the counterparty (e.g., existence of criminal record; questionable reputation; admissions or statements by the counterparty regarding his or her involvement in criminal activities);

behavior of the counterparty (e.g., ambiguous behavior, lack of data needed to carry out transactions or reluctance to provide it);

territorial dislocation of the counterparty (e.g., transactions conducted in off-shore countries);

economic and financial profile of the transaction (e.g., transactions that are not usual in terms of type, frequency, timing, amount, geographical location);

characteristics and purpose of the transaction (e.g., use of loan officers, changes in standard contract terms, purpose of the transaction).

- the selection of suppliers and customers is made on the basis of requirements predetermined by the Company and reviewed by the Company and, where appropriate, updated on a regular basis; the Company also formalizes the criteria on the basis of which customers and suppliers can be removed from the customer/supplier lists, and the choices regarding their retention or relative removal from the lists maintained by the Company cannot be determined by a single person and must always be justified;
- the selection of business partners is made after conducting appropriate checks on their reputation and reliability in the market, as well as after sharing the fundamental ethical principles that guide the Company;
- contracts regulating relations with suppliers and customers must include appropriate clauses indicating clear responsibilities regarding non-compliance with the Model and the Code of Ethics. When deemed appropriate, the contract governing the relationship shall also provide for the counterparty's obligation to comply with requests for information or the production of documents by the Supervisory Board and the internal manager.

For operations concerning the **management of receipts and payments**, protocols must provide:

- specific limits by type of transaction, frequency, and amount are prepared for all persons with formal powers to handle financial resources; in addition, the joint signature of at least two persons is required for transactions above certain predetermined value thresholds;
- only banking channels and other accredited financial intermediaries subject to European Union regulations or credit/financial institutions located in a non-EU state that imposes obligations equivalent to those under money laundering laws and provides for monitoring of compliance with such obligations must be used for the management of inward and outward flows;

- both cash inflows and outflows are prohibited, except for minimum types of expenditures expressly authorized by the administration, finance and legal department and in particular for petty cash transactions;
- transactions involving use or deployment of economic or financial resources have an express reason and are documented and recorded in accordance with the principles of fairness and accounting transparency;
- the Company's receipts and payments as well as money flows are always traceable and documented;
- with regard to conduct that could lead to the crime of self-money laundering, it is considered necessary to observe the procedures pertaining to the formation of the budget, the movement of financial resources in all activities of the Company, and the selection of suppliers and consultants.

In particular, financial flows should be monitored for payments and emoluments to directors, related to consulting activities, payments to suppliers in black - list or off - shore countries, financial flows between Group companies, and cash movements.

D) CRIME OF CORRUPTION BETWEEN PRIVATE PARTIES EX 2635 c.c. et seq.

D.1 Potential areas of activity at risk

The risk of the commission of the crime of bribery among private individuals, covered in this special part, may occur mainly in the following areas (activities, functions, processes):

- Relationships with customers (so-called active cycle) or suppliers (so-called passive cycle);
- Staff selection and recruitment;
- Bank/financial/creditor relationships;
- Relationships with professionals responsible for the formation and processing of corporate financial statements (including accountants, auditors, auditors);
- Each area responsible for preparing corporate accounting documents.
- Procurement;
- Consulting management;
- Use of financial resources;
- Procurement and investment management.

D.2 Possible misconduct

With reference to customer relations, within the active cycle, the crime of bribery among private individuals could be committed by a member of the BoD (top management) and/or by managers of the department concerned (subordinates), as well as by subordinates under the direction or supervision of such individuals (subordinates).

Specifically, within the active cycle, the crime of bribery among private individuals can materialize:



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- In the sale of goods to other parties, with the purpose of obtaining from the customer the conclusion of the contract;
- In the performance of services to another company in order to bribe a competitor during participation in a "private tender" so that the competitor would submit worse conditions.

In the passive cycle, on the other hand, the crime of bribery among private individuals could be integrated against the company's suppliers in order to obtain goods/services on better terms and/or at more favorable prices.

In the area of personnel selection, bribery could be committed by the company hiring people with knowledge of trade secrets of competing companies in order to obtain disclosure of secrets, or by hiring people who offer the recruiter a sum of money in exchange for employment.

In the context of dealings with banks, financiers and creditors, the crime could be committed, on the one hand, in dealings with banks by bribing officials to obtain financial benefits and, on the other hand, in dealings with financiers by bribing an employee in order to prevent the company from being reported to the U.I.F.

The crime of bribery among private parties could also have relevance in dealings with creditors, with the aim of concluding more advantageous transactions for the company in order to delay and/or avoid possible enforcement action.

In the context of relationships with professionals deputed to the formation and preparation of company financial statements (including accountants, auditors, auditors), as well as with any other person deputed to the preparation of accounting documents of the company, the crime could take the form of the giving of money in order to obtain accounting results that do not correspond to the true reality of the company in order to use them with third parties (e.g., banks, financial administration, etc.) to obtain benefits.

D.3 GENERAL PRINCIPLES OF BEHAVIOR

All recipients of the Model, in the performance of their respective activities and functions, must act in compliance not only with the provisions contained in the Model and the Code of Ethics, but also with the company procedures adopted by the Company in relation to operations concerning the crime risk areas identified above in order to prevent the commission of the crime of bribery among private individuals.

In particular, recipients must know and respect:

- Documentation pertaining to the Company's corporate and organizational hierarchical-functional structure;
- organizational provisions issued by the Company in order to establish a consistent and uniform corporate policy;
- The Company's internal procedures relevant to the areas of crime risk

In general, for all operations involving the sensitive activities referred to in the crime risk areas identified above, it is absolutely prohibited to:

- Engaging in conduct that would constitute the commission of the crime of bribery among private individuals;
- engage in any conduct that, while not concretely constituting the crime of bribery among private individuals, may in the abstract become one;
- Undertake or facilitate transactions in conflict of interest - actual or potential - with private parties, as well as activities that may interfere with the ability to make, in an impartial manner, decisions in the best interest of the Company and in full compliance with the rules of the Code



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of Ethics;

- Unduly giving or promising money to an individual;



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- Distribute or promise free gifts and presents that are not of modest value to third parties, in violation of the provisions of the Code of Ethics and company procedures;
- Granting or promising other advantages, of whatever nature, in favor of private individuals as well as for the benefit of other individuals or legal entities traceable to their sphere of interest;
- Perform services in favor of suppliers and/or customers that do not find adequate justification in the context of the relationship established with them, outside the provisions of the Code of Ethics and company procedures;
- Recognize fees in favor of consultants and external collaborators that are not adequately justified in relation to the type of assignment to be performed and the practices in force in the Company and/or in the local area, or distribute gifts or gratuities outside the provisions of the Code of Ethics and company procedures;
- Submit untrue, incorrect, false or incomplete statements and/or documents and/or data and/or information to private parties.

In addition, for the purpose of implementing the above behaviors, the Company adopts appropriate company procedures providing, among other things, the following:

- compliance with the principles of fairness, transparency and good faith must be ensured;
- within the scope of the sensitive activities referred to in the crime risk areas identified above, relations with private parties are managed in a unified manner, proceeding to the appointment of one or more Internal Managers for each action or plurality of operations carried out;
- management, coordination and control responsibilities within the Company are formalized;
- levels of hierarchical dependence are formalized and the duties of each must be described;
- assignments given to consultants, suppliers and external collaborators are (i) drawn up in writing, indicating the agreed remuneration, (ii) signed in accordance with the proxies received, (iii) contain standard clauses in order to ensure compliance with the provisions of the Model and the Decree;
- no payment may be made in kind, and in the case of payment in cash, the relevant expenditure shall be authorized in advance and shall be made in accordance with current regulations on cash payments;
- those who perform a control and supervisory function with regard to the fulfillments related to the performance of the above activities pay attention to the implementation of such fulfillments and immediately report any situations of irregularities to the SB;
- documents concerning the formation of decisions and their implementation must be archived and kept by the relevant corporate function. Access to documents already archived is allowed only to authorized persons according to the company's operating procedures, as well as in any case to the Board of Statutory Auditors, the auditing company and the Supervisory Board;
- the formation stages and authorization levels of the Company's acts are always documented and reconstructible;
- the system of proxies and signatory powers to the outside world is consistent with the responsibilities assigned to each proxy; external parties' knowledge of the system of proxies and signatory powers is ensured by appropriate communication and publicity tools;
- the assignment and exercise of authority within a decision-making process is congruent with positions of responsibility and the significance and/or criticality of the underlying economic transactions;
- there is no subjective identity between those who make or implement decisions, those who are required to give accounting evidence, and those who are required to carry out the controls on them required by law and by the procedures covered by the internal control system;



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- rewarding remuneration systems to Employees and collaborators do not meet patently unattainable goals and are consistent with the tasks and activities performed and the responsibilities entrusted;
- The Company's data processing must comply with the provisions of Legislative Decree No. 196 of 2003, as amended and supplemented;
- all forms of donations aimed at promoting goods, services or the image of the Company are authorized, justified and documented;
- In the context of Sensitive Activities, the Company provides for the following activities, in the case of relationships entertained by the Company with private parties: (i) the prior drafting, by the natural person entering into the relationship, of an agenda of the meeting (indicating, by way of example, place, participants, etc.); (ii) the formalization of an internal memorandum at the end of the meeting, containing, among other things, the main issues addressed, any decisions accrued, etc. In addition, the Company adopts a specific procedure in which activities related to participation in tenders and other forms of competitive confrontation between private parties are regulated, providing for, among other things: (i) the subjects/functions involved; (ii) management methods; (iii) roles and responsibilities; (iv) supporting documentation; (v) authorization processes.

D4. PREVENTION PROTOCOLS

The Company defines the following prevention protocols relevant to the operations carried out by the Company with reference to the Sensitive activities related to the Risk Areas of paragraph D.1 above. These protocols are contained, inter alia, in the corporate procedures adopted by the Company in order to prevent the risk of the commission of the crime of bribery among private individuals in the performance of operations related to these activities.

- Procurement management

The operating procedure is characterized by a special attention in the protocols of supplier search and selection (including in the area of security supplies, which by nature are released from authorization profiles), with regard also to the so-called anomalous behaviors at risk of the crime of bribery between private parties.

The involvement of a plurality of different functions in the phase of supplier inquiry, identification and selection is ensured, so that there can be no risk situations for unilateral contacts between relevant functions and suppliers.

- Consulting management

The procedure provides specific protocols for identifying and selecting the consultant, while at the same time ensuring the multiplicity of functions involved interacting with each other at each stage (identification, selection and management of the consulting activity).

- Personnel selection management

Only the new crime to be guarded was included in the procedure, but it already appeared to be in compliance to prevent this new crime as well.

Personnel application, identification and selection procedures are entrusted to different functions, which then interact in the final selection phase, ensuring that contact between the would-be worker and the Company does not occur with single, isolated figures, with the risk of corruption for the purpose of obtaining employment.

- Mission expense reimbursement management



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The procedure has a plurality of functions involved in the three relevant stages, namely mission request, control of supporting documents for mission expenses, and settlement of expenses.

The procedure is supplemented by the one on the management of financial resources, in order to ensure that the economic disbursement made by the Company against a request for reimbursement of expenses takes place in accordance with the principles of traceability and documentary verification of the transaction.

- Budget formation management.

The formation of the budget, from the preparatory stage to the filing stage, involves the involvement of a plurality of functions, avoiding reliance on individual persons susceptible to active or passive instigation of the crime of bribery among private parties.

- Financial resource management

In the procedure, with respect to the different forms of payment indicated and allowed by the system, the relevant supporting documentary evidence is guaranteed.

In essence, there can be no financial movements that do not have a related and corresponding justification (contract, order, mission expense reimbursement supporting pieces), and that this justification is documentally verifiable as a result of appropriate checks.

This principle applies to all functions empowered to use financial resources of the Society.

- Procurement management

The procedure has been supplemented by including specific reference to the procurement management procedure to ensure that contractor selection is based on documentable and ascertainable contractor identification/quality criteria.

The various functions involved, therefore, can choose the contractor as long as he or she has certain requirements as stipulated in the procurement management procedure.

This mode tends to prevent the possibility that there may be contractor choices, perhaps not in accordance with the requirements of the Company's suppliers, dictated by economic advantages for the function that chose the Company (bribery among private parties).

- Investment management

The procedure ensures that the steps of requesting and identifying the investment to be made, defining the related budget and disposition of the same, are carried out by different business functions, each independent in its own activity.

The investment decision, therefore, is the result of activities attributed to different functions, avoiding centralization in individual functions susceptible to the crime of corruption.

E) Computer crimes

E.1 Sensitive activities under computer crimes

Through a *control and risk self-assessment* that is an integral part of the Model, the Company has identified the following *sensitive* activity within the scope of which, potentially, computer crimes under Article 24-bis of the Decree could be committed:

- Access, account and profile management.

E.2 Specific prevention protocols

For operations **concerning access, account and profile management**, the protocols stipulate that:

- Guidelines for the use of corporate IT assets are defined;
- access to information systems is guaranteed exclusively through the unique authentication of users by user-id and password of which rules for creation are defined (e.g. minimum password length, complexity rules, expiration, etc.);
- a formal system is defined for authorizing and recording the allocation, modification and deletion of accounts and related access profiles to systems and applications;
- an application/profile/user matrix aligned with existing organizational roles is prepared and checked periodically;
- formal procedures are established for the assignment of remote access to company systems by third parties such as agents, consultants and suppliers.
- procedures for assigning and using special privileges (system administrator, super user, etc.) are formalized;
- procedures are formalized for requesting, accessing (by means of identification codes or smart cards, or otherwise) and using information systems of public entities or public service appointees with which the Company interfaces and communicates data, as well as for assigning responsibility to the person(s) in possession of credentials for their use.

F. Manslaughter and grievous and very grievous bodily harm committed in violation of accident prevention and occupational hygiene and health protection regulations

F1. Foreword

Articles 589 and 590, third paragraph, of the Criminal Code referred to in the Decree punish anyone who, through negligence, causes the death of a person or causes him or her serious and very serious bodily injury and has committed these offenses by violating accident prevention and occupational hygiene and health protection regulations.

"Injury" means the totality of pathological effects constituting disease, that is, those organic and functional alterations resulting from the occurrence of violent conduct.

The injury is serious if the illness has endangered the victim's life, resulted in a convalescence period of more than forty days, or resulted in permanent impairment of the functional potential of a sense, such as hearing, or an organ, such as the dental system.

It is most serious if the conduct has resulted in an illness that is probably incurable (with permanent effects that cannot be cured) or has caused the total loss of a sense, a limb, the ability to speak properly or to procreate, the loss of the use of an organ or has deformed or scarred the victim's face.

The harmful event, whether represented by serious or very serious injury or death, can be perpetrated through active conduct (the agent engages in conduct by which he or she injures the integrity of another individual), or through an omissive attitude (the agent simply does not intervene to prevent the harmful event). As a rule, active conduct will be discerned in the subordinate worker who directly performs operational duties and materially harms others, while omissive conduct will usually be discerned in the apical personnel who fails to comply with supervisory and control obligations and thereby fails to intervene to prevent the event caused by others.

From a subjective standpoint, homicide or injury relevant to the administrative liability of entities will have to be carried out by means of guilt: this subjective imputation profile may be generic (violation of rules of conduct crystallized in the social fabric based on norms of experience hinging on the parameters of diligence, prudence and expertise) or specific (violation of rules of conduct originally born out of practical experience or practice and subsequently positively affirmed in laws, regulations, orders or disciplines).

In this there is a profound difference from the criteria of subjective imputation provided for the other criminal figures referred to in the Decree, all of which are punished by wilful misconduct, i.e., when the person performs said actions with the consciousness and will to perform them and therefore not by mere negligence.

With regard to the attitude of omission, it is specified that a person is liable for his or her own negligent omissive conduct, injuring the life or physical safety of a person, only if he or she holds a position of guaranty vis-à-vis the victim, which may originate from a contract or from the unilateral will of the agent. The regulations identify the employer¹ as the guarantor "of the physical integrity and moral character of the employees," and his position of guaranty is, however, transferable to other persons, provided that the relevant delegation is sufficiently specific, prepared by written instrument and suitable for transferring all the authoritative and decision-making powers necessary to protect the safety of the employees. The person chosen to fill the position must also be a person capable and competent in the subject matter of the transfer of responsibility.

Based on the regulatory changes introduced by the legislator, the agent's harmful conduct, in order for it to be attributable to the Company, must necessarily be aggravated, i.e. result from the violation of accident prevention regulations and concerning the protection of hygiene and health at work. For the purpose of implementing the Model, however, it is necessary to consider that:

- compliance with the minimum safety standards stipulated in industry-specific regulations does not exhaust the overall duty of care required (specific fault aspect);
- it is necessary to ensure the adoption of safety standards such as to minimize (and, if possible, eliminate) any risk of injury and illness, including on the basis of the best known technique and science, according to the particularities of the work (aspect related to general fault);
- for the purposes of the Model, the conduct of the injured worker that gave rise to the event does not exclude all liability on the part of the entity, when the latter is attributable, in any case, to the lack or insufficiency of the precautions that, if adopted, would have neutralized the risk underlying such conduct. The obligation of prevention is excluded only in the presence of the worker's behavior that has the character of exceptionality, abnormality, and exorbitance with respect to the work procedure, organizational directives received and common prudence.

¹ person who holds the employment relationship with the worker or, in any case, the person who, according to the type and structure of the organization within which the worker performs his or her work, has responsibility for the organization itself or the production unit in that he or she exercises decision-making and spending powers (Art. 2, para. 1 Legislative Decree 81/08).

In terms of protected subjects, accident prevention regulations protect not only employees, but all persons who legitimately enter the premises used for the performance of work.

In terms of active parties, those who, by reason of their job description, have sensitive activities in this area may commit the types of crimes referred to here. For example:

- The worker who, through his or her actions and/or omissions, may endanger his or her own and others' health and safety;
- the manager and the supervisor, who may be responsible for coordinating and supervising activities, training and information, among others;
- The employer as the main actor in prevention and protection.

F2. Sensitive activities within the scope of the crimes of manslaughter and serious or very serious negligent injury committed in violation of accident prevention and occupational hygiene and health protection regulations

Sensitive activities within the scope of which, potentially, the crimes of manslaughter and serious or very serious negligent injury with simultaneous violation of accident prevention and occupational hygiene and health protection regulations provided for in Article 25-septies of the Decree have been classified into:

- Activities at risk of occupational injury and illness;
- Crime-risk activities.

The dichotomous classification originates from the fact that the former are the activities within which injuries can occur, while the latter are those within which the offense can be committed by members of the organization for negligent violation of existing regulations and preventive measures to protect health, hygiene and safety in the workplace.

F2.1 Activities at risk of occupational injury and illness

The activities within which occupational injuries or illnesses may occur are inferred from the Risk Assessment Document (hereinafter "DVR"), where, through careful investigations involving both structural and organizational aspects, the Company has identified risks to the

safety and health of workers. The document also contains indicated the protective measures suitable for their elimination or containment.

For each of the risk categories in the DVR, all hazards actually applicable find their place, appropriately coded.

The Risk Assessment Document is constantly updated, in relation to new and possible prevention needs, according to the procedures set forth in the Model.

F2.2 Crime-risk activities

The activities, the omission or ineffective implementation of which could constitute the Company's culpable liability in the event of an event of manslaughter or causing serious or very serious injury, are listed below with a brief description of their content.

- *Risk assessment* (Management of the activities of carrying out and updating the risk assessment, carried out for the purposes of current regulations, in the field of health, hygiene and accidents in the workplace, including through the use of consultants outside the Company who are experts in the said issues; management of the activities of updating the control garrisons and related procedures, defined in the light of the risk assessment; management of the activities of drafting the Risk Assessment Document and related documentation in compliance with current regulations in the field of health, hygiene and accidents in the workplace and at temporary or mobile construction sites).
- *Appointments and definition of responsibilities* (Entrustment of "sensitive" responsibilities for occupational safety and hygiene without prior verification of requirements).
- *Health Surveillance* (Management of activities directed to ensure the performance of health surveillance provided for each labor category).
- *Training* (Management of activities directed at providing an adequate, in terms of time and topics covered, program of education, information and training to all subordinate workers and in particular for those who carry out activities more at risk e.g., maintenance work; Management of activities directed at providing an adequate level of knowledge to the RSSP and any other figures e.g., the works manager, the coordinator in the design phase and coordinator in the executive phase, when they coincide with figures within the Company, on the issues governed by the reference regulations on health, hygiene and accidents in the workplace and at any temporary or mobile construction sites).



- *Entrusting work to external parties* (Management of coordination activities between all parties involved in the application of health, hygiene and accident provisions in the workplace and at temporary or mobile construction sites; management of activities for the selection of the coordinator in the executive phase ex Title IV of Legislative Decree. 81/08, in compliance with the provisions of the law, and verification of the technical skills of the same; management of the activities of verification that in the preparation, evaluation and awarding of tenders, the charges on safety congruous with respect to the complexity of the works and not susceptible to bidding discounts; management of the activities of verification on the charges incurred to make operational the risk assessment document and safety plans, so that they are able to ensure the highest level of safety in the workplace and at any temporary or mobile construction sites).
- *Purchasing* (Supplier management; purchasing of products equipment, machinery and facilities provided with the necessary requirements in terms of applicable laws and regulations).
- *Maintenance* (Management of maintenance activities of workplaces, equipment, vehicles, machinery and facilities used, in order to limit possible accidents caused by them).
- *Special Risks* (Management of constant verification activities at workplaces and at any temporary or mobile construction sites on compliance with the requirements of current legal regulations).
- *Emergencies* (Emergency Management).
- *Work procedures and instructions* (Management of the activities of preparing and implementing company procedures and related control measures in line with current regulations on health, hygiene and accidents in the workplace, as well as constant updating of the same procedures when there are changes in these regulations; enforcement of work procedures and operating instructions).
- *Collective and individual protection* (Management of the activities of distributing, to all workers according to their assigned tasks, personal protective equipment and suitable equipment to safeguard their health and safety and constantly checking on their proper use and functionality).
- *Staff communication and involvement* (Nonconformity management; corrective and preventive actions).

The list of sensitive activities is periodically updated, in relation to new and possible prevention needs, according to the procedures set forth in the Model.

F3. General principles of behavior

In addition to the provisions of paragraph 2 of the special section, additional general principles of conduct apply.

The Model is not intended to replace the legal prerogatives and responsibilities governed under the subjects identified by Legislative Decree 81/08 and further applicable legislation in the cases in question. Instead, it constitutes an additional control and verification safeguard of the existence, effectiveness and adequacy of the structure and organization put in place in deference to the special regulations in force on accident prevention, safety and health protection in the workplace.

One of the prerequisites of the Model in order to prevent accidents in the workplace is the observance of certain principles and in the keeping of certain behaviors, by the Company's workers, as well as by any external parties who are legitimately on the Company's premises. In particular, each worker, each subject and more generally each recipient of the Model who is legitimately at the Company shall:

- in accordance with his or her training and experience and with the instructions and means provided or arranged by the employer not to engage in imprudent behavior as regards safeguarding his or her own health and safety;
- Comply with internal company regulations and procedures for the purpose of collective and individual protection, specifically exercising all appropriate controls and activities to safeguard the health and safety of external collaborators and/or outsiders who may be present in the workplace;
- Properly use machinery, equipment, tools, hazardous substances and preparations, means of transport and other work equipment, and safety devices;
- Use the protective equipment provided appropriately;
- Immediately report to the appropriate levels (due to the responsibilities assigned) the anomalies of the means and devices mentioned in the previous points, as well as any other hazardous conditions of which you become aware;
- take direct action, in the face of a detected danger and in urgent cases only, consistent with their skills and possibilities;

- Undergo the required health checks;
- Undergo the planned training interventions;
- Contribute to the fulfillment of all obligations imposed by the competent authority or otherwise necessary to protect the safety and health of workers during work.

For these purposes it is prohibited to:

- Remove or modify safety or warning or control devices without permission;
- perform on their own initiative operations or maneuvers that are not within their competence or that may compromise their own safety or that of other workers;

F4. General prevention protocols

In addition to the provisions of paragraph 3 of the special section, additional general prevention protocols apply.

The Risk Assessment Document indicates specific measures for the prevention of occupational injuries and diseases, for aspects of which please refer entirely to the task sheets, supplementary to the DVR.

As for the preventive measures for the activities at risk of crime, as identified above, that is, those behaviors that could integrate the Company's guilt in relation to accidents at work, the Model of organization, management and control is adopted and implemented in order to ensure the fulfillment of all related legal obligations:

- to compliance with legal technical and structural standards related to equipment, facilities, workplaces, chemical, physical and biological agents;
- To the activities of assessing risks and preparing the resulting prevention and protection measures;
- to activities of an organizational nature, such as emergencies, first aid, contract management, periodic safety meetings, and consultation with workers' safety representatives;
- To health surveillance activities;
- To workers' information and training activities;
- to supervisory activities with reference to workers' compliance with safe work procedures and instructions;

- To the acquisition of documentation and certifications required by law;
- To periodic reviews of the application and effectiveness of the procedures adopted;
- where applicable, the necessary notifications to the relevant authorities.

It should be noted that, for the purposes of maintaining the Organization, Management and Control Model, it is necessary to provide evidence of what has been implemented; this is done through the adoption of appropriate recording systems. It is also relevant to ensure the availability and updating of documentation, both of internal and external origin (e.g., documentation relating to products and substances, documentation certifying the conformity of machines). The management of documentation of internal origin, external origin, and records, which constitute special documentation, is such that their traceability, preservation, and updating is guaranteed.

Compliance with relevant current standards (laws, technical standards and regulations, etc.) is ensured through:

- The identification and accessibility of relevant regulations applicable to the company;
- The continuous updating of regulations applicable to the company's activities;
- Periodic monitoring of compliance with applicable regulations.

For the purpose of adopting and implementing the Organization, Management and Control Model, the Company also undertakes to implement the specific protocols set out below.

F5. Specific prevention protocols

Gruppo Cimbali S.p.A., believing that deterrence from conduct configurable as crimes can and must be achieved through the control of its production processes, has intended to activate within the entire organization a control system based on the BS OHSAS 18001:2007 management standard to which the Model is inspired.

Compliance with the OHSAS 18001 management standard, in those parts where it may find applicability, constitutes a presumption of compliance with the requirements of the standard, and through its application one aims to bring production processes under control, to check that one's activities are, from the point of view of health and safety protection, in accordance with the provisions of local, national and European laws, standards and regulations, and to organize as a whole the entire health and safety management structure.



Below are the specific prevention protocols within each crime-risk sensitive area identified and assessed through the control and risk self-assessment carried out by the Company. Each area is governed by a specific operating procedure.

Risk assessment.

Since risk assessment is the pivotal fulfillment for guaranteeing the health and safety of workers and since it is the main tool for proceeding to the identification of protective measures, whether they are the reduction or elimination of risk, the operation of identifying and detecting risks must be carried out correctly and in compliance with the principle of truthfulness, completeness and accuracy. The compulsory regulations give this responsibility to the employer, who is supported by other parties such as the person in charge of the prevention and protection service and the competent doctor, and after consultation with the workers' safety representative.

All data and information relevant to risk assessment and consequently to the identification of protective measures (e.g., technical documentation, instrumental measures, results of internal surveys, etc.) must be clear, complete, and truthfully represent the state of the art of the Company.

The data and information shall be collected and processed in a timely manner, under the supervision of the employer, including through individuals identified by the employer who possess appropriate requirements, certifiable in prescribed cases, of technical and, where appropriate, instrumental competence.

Upon request, any documents and sources from which the information is taken must also be submitted along with the data and information.

The drafting of the risk assessment document and the plan of prevention and protection measures is a task that cannot be delegated by the employer and must be carried out on the basis of the preliminarily defined criteria constituting the integration of the said documentation; the risk assessment criteria cover, among others, the following aspects:

- Routine and non-routine activities;
- Activities of all people who have access to the workplace (including outsiders);
- human behavior;
- Dangers from outside;
- Hazards related to the workings or created in the surrounding environment;
- infrastructure, equipment and materials present at the workplace;
- changes made to processes and/or the management system, including temporary changes, and their impact on operations, processes and activities;

- Any applicable legal requirements regarding risk assessment and implementation of necessary control measures;
- Design of working environments, machinery and plants;
- Operating and work procedures.

Appointments and definition of responsibilities

For all figures, identified for the management of health and safety issues in the workplace, technical and professional requirements are defined, which may also originate from specific regulatory provisions. These requirements, which must be maintained over time, are possessed by the person prior to the assignment and can also be achieved through specific training interventions.

The assignment of specific health and safety responsibilities is made, in writing and with a date certain, defining, in a comprehensive manner, characteristics and limits of the assignment and, if necessary for the performance of the functions assigned to the delegate, identifying the spending power.

In order to ensure effective allocation of responsibilities in relation to corporate roles and functions:

- management, coordination and control responsibilities within the Company are formalized;
- the persons required by the regulations on hygiene and safety in the workplace (including, in the case of the presence of construction sites, the persons envisaged by Title IV of Legislative Decree 81/08) are properly appointed and they are properly vested with the powers necessary to carry out the role assigned to them;
- the system of proxies, signing and spending powers is consistent with assigned responsibilities;
- the assignment and exercise of powers within a decision-making process is congruent with positions of responsibility and the significance and/or criticality of the underlying risk situations;
- it is prevented that there is subjective identity between those who make or implement decisions and those who are required to carry out on them the controls required by law and the procedures covered by the control system;

- the persons in charge and/or appointed under the current legislation on occupational hygiene and safety have adequate and effective competence in this area.

Health Surveillance

Prior to assigning any task to a worker, it is necessary to check the worker's requirements, both in terms of technical aspects (see **the** next sensitive activity: **Training**) and health aspects, based on what was highlighted in the risk assessment.

Verification of suitability is implemented by the competent physician who, because of the indications provided by the employer and on the basis of his own knowledge of the workplaces and the workings, checks in advance the health suitability of the worker by issuing judgments of total or partial suitability or unfitness for the task. Due to the type of work required and on the basis of the results of the preliminary examination, the competent doctor defines a health surveillance protocol for workers.

The health protocol is periodically updated according to new legislative requirements, changes in activities and processes, identification of new risks to workers' health.

Training

All personnel receive appropriate information about the correct way to perform their duties, are trained and, in cases required by regulations, are trained. Documented verification of such training and/or instruction is provided. Training activities are provided through variable modalities (e.g., face-to-face training, written communications, etc.) defined both by Company choices and by the provisions of current regulations.

The choice of trainer may be constrained by specific regulatory provisions.

Documentation pertaining to staff training is forwarded to the personnel department and is also used for the purpose of making new assignments.

Training activities are aimed at:

- ensure, including through appropriate planning, that any person under the control of the organization is competent based on appropriate education, training or experience;

- Identify training needs related to the performance of activities and provide training or consider other actions to meet these needs;
- Evaluate the effectiveness of training activities or other actions that may have been implemented, and maintain relevant records;
- Ensure that staff become aware about the actual or potential impact of their work, the correct behaviors to adopt, and their roles and responsibilities.

Outsourcing of work to external parties

Contracted activities and works are governed by Art. 26 and Title IV of Legislative Decree 81/08. The party performing the work must possess suitable technical and professional requirements, verified also through registration with the CCIAA. It must demonstrate compliance with insurance and social security obligations with respect to its personnel, including through the presentation of the Single Document of Contributory Regularity. If necessary, the executor must also submit to INAIL a special report for any total or partial changes in the activity already insured (due to the type of intervention required and based on the information provided by the company).

The contractor, in cases covered by the law, must issue the Declaration of Conformity to the Rules of Art upon completion of the work.

In addition, safety and coordination plans where construction sites are present are adequate and effectively implemented.

In case contracts falling under the category of work under Title IV of Legislative Decree 81/2008 - Art.

88 et seq. the person performing the work must possess suitable technical and professional requirements, verified in the manner provided for in Annex XVII of Legislative Decree 81/2008 and, in particular, all the indications provided for in Article 90 of Legislative Decree 81/2008.

The Company may identify as early as the issuance of appropriate delegations of function, or from time to time depending on the type of contract, the appointment of a Work Supervisor to perform the tasks referred to in Articles 88 et seq. of Legislative Decree 81/2008.

Purchases

Purchasing activities for equipment, machinery and facilities are conducted after assessing the health and safety requirements of the same while also taking into account the considerations of workers through their representatives.

Equipment, machinery, and installations will have to comply with the requirements of applicable legislation (e.g., CE marking, possession of declaration of conformity issued by the installer, etc.). Where appropriate, due to applicable legislative provisions, their commissioning will be subject to initial examination or approval procedures.

Prior to the use of new equipment, machinery or facilities, the assigned worker shall be properly trained and/or instructed.

Purchasing activities are managed in such a way that:

- criteria and procedures for qualification and verification of supplier requirements are defined;
- arrangements are defined for verifying the conformity of equipment, plant and machinery to be purchased with current regulations (e.g., CE marking), as well as the criteria and procedures for assessing the conformity of health and safety requirements, including providing for forms of consultation with workers' representatives;
- provision is made, where applicable, for how the acceptance checks, initial verifications and approvals required for commissioning are to be carried out.

Maintenance

All equipment, machinery and facilities that may have significant Health and Safety impacts are subject to scheduled maintenance protocols with timing and modalities also defined by the manufacturers. Any specialized interventions are conducted by individuals who meet the legal requirements and must produce the necessary documentation.

Maintenance activities on security devices are recorded.

In the presence of equipment and facilities for which periodic verification interventions are provided for by current legislation, for the execution of which specific external bodies are identified (e.g. ARPA, ASL, Notified Bodies, Inspection Bodies, etc.), a specific verification contract is entered into with the entity in charge; if the entity in charge does not provide the service with the timeframe provided for by the legislation, the following will be done:

- in the event that there are additional individuals with the qualifications/authorizations to carry out the verification work, they will be commissioned;
- in case of the absence of alternative parties, self-diagnosis will be provided through existing technical structures in the market (e.g., maintenance companies, engineering companies, etc.).

Maintenance activities are managed in such a way as to ensure:

- That the procedures, timelines and responsibilities for scheduling and carrying out maintenance and periodic inspections, where required, of equipment, plant and machinery (identified punctually in appropriate protocols/schedules) and the periodic monitoring of their efficiency are defined;
- The recording of maintenance carried out and its responsibilities;
- That ways of reporting anomalies are defined, the most appropriate means of communicating these ways are identified, and the functions required to activate the relevant maintenance process (unscheduled maintenance) are identified.

Special risks

Workplaces are also designed in accordance with ergonomic, comfort and welfare principles. They are regularly maintained so that defects that may affect the safety and health of workers are eliminated as quickly as possible; adequate hygienic conditions are ensured.

Any specific risk areas should be appropriately marked and, where appropriate, made accessible only to properly trained and protected individuals.

Emergencies

Escape routes are identified and care is taken to keep them efficient and free of obstacles. Staff are made aware of reporting and emergency management procedures.

Emergency responders are identified in sufficient numbers and are trained in advance according to legal requirements.

Suitable fire-fighting systems, selected by type and number, are available and maintained due to the specific fire risk assessment or guidance provided by the competent authority. Suitable sanitary facilities are also present and maintained.

Emergency management is implemented through specific plans that include:

- Identification of situations that may cause a potential emergency;
- definition of ways to respond to emergency conditions and prevent or mitigate related adverse Health and Safety consequences;

- Planning for verification of the effectiveness of emergency management plans;
- Updating emergency procedures in case of accidents or negative outcomes of periodic simulations.

Work procedures and instructions

Due to the complexity of the work, there may be specific work instructions or operating procedures that, together with documentation regarding how to use machinery and equipment and safety documentation of substances, must be accessible to the worker.

Collective and individual protection

Based on the outcomes of the risk assessment, the necessary safeguards and devices to protect the worker must be identified. Collective-type protective measures are defined as part of the risk assessment and choices regarding, for example, workplaces and equipment and machinery. Individual-type protective measures (PPE), aimed at controlling residual risk, are identified and managed according to choice criteria that ensure:

- The adequacy of PPE to the types of risks identified in the assessment;
- Compliance with applicable technical standards (e.g. CE marking);
- The definition of how to deliver and possibly store PPE;
- Monitoring the maintenance of protection requirements (e.g., checking deadlines).

Communication and staff involvement.

The Company adopts suitable means aimed at ensuring, for the purpose of health and safety issues in the workplace:

- Internal communication among the various levels and functions of the organization;
- Communication with suppliers and other visitors in the workplace;
- Receiving and responding to communications from interested external parties
- Participation of workers, including through their representatives, through:

√their involvement in hazard identification, risk assessment, and

Definition of protective measures;

✓their involvement in the investigation of an accident;

✓their consultation when there are changes that may have significance in Health and Safety.

F6. Additional prevention protocols

Pursuant to the Model, specific controls are established to ensure that the Company's organizational system, established pursuant to applicable workplace safety and accident prevention regulations, is constantly monitored and placed in the best possible operating condition.

For the purpose of monitoring the implementation of what is indicated in paragraph E5, specific audit activities will be conducted, carried out also with the cooperation of competent company subjects and possibly external consultants. These audit activities will be conducted on the basis of the standard UNI EN ISO 19011: "Guidelines for audits of quality and/or environmental management systems," which defines guidelines on the principles of audit activities, the management of audit programs, the conduct of the audit as well as the competence of auditors.

With the revision of the Organizational Model, following the procedural changes adopted by the Company, a special part dedicated to this type of crimes was drafted, attached to this Model and to be considered an integral part of it.

G. Environmental Crimes

With the revision of the Organizational Model, following the introduction of environmental crimes, a special part dedicated to this type of crime was drafted, attached to this Model and to be considered an integral part of it.

H. Reati Tributary

H1 Sensitive activities within the scope of tax crimes

Through the *control and risk self-assessment* activity, which is an integral part of the Model, the Company has identified the sensitive and instrumental activities listed below, within the scope of which, potentially, the tax crimes set forth in Article 25- *quinquiesdecies* of the Decree could be committed.

- Managing audits by PA or public service or certifying bodies;
- Litigation management;
- Management of the personnel selection process;
- Management of expense reports;
- Supplier selection activities;
- Procurement management of "core" goods and services (coded products);
- Procurement management of "non-core" goods and services (non-coded products/consumables);
- Managing relationships with agents;
- Consulting management (administrative, tax, etc.);
- Procurement management;
- Activities to select customers and sell finished products, goods and services through direct (branches) and indirect (distributors) channels;
- Management of marketing activities (e.g., promotions, sponsorships, advertising, etc.);
- Management of giveaways;
- Management of intercompany relations;
- Management of tax and fiscal matters with the tax authorities, including through outside professionals;
- Preparation of financial statements and communications to shareholders and/or the public/market regarding the Company's economic, financial, or asset situation;
- Management of extraordinary operations;
- Information systems management.

H2 Specific protocols of prevention

For operations concerning the **management of inspections by the PA or persons in charge of public service or certifying bodies**, the protocols provide:

- management of the sensitive activity exclusively by individuals with appropriate powers (Chairman and Chief Executive Officer);

- The involvement of different company figures in the critical phases of the sensitive activity (Chief Executive Officer, Chief Administrative and Financial Officer, the Administrative Manager and the Head of the function involved);
- Support from outside consultants;
- The application of procedures "PR07 - Management of inspections" and "PR09 - Management of relations with the PA."
- The preservation and archiving by the inspected function of documentation produced at critical stages of the process (e.g., inspection reports, information flows to the SB);
- The indication in the "PA officer visit register" (Annex 1 to document "PR07") of activities attributable to inspection visits.

For operations concerning **litigation management**, the protocols stipulate that:

- management of the sensitive activity exclusively by individuals with appropriate powers (Chairman and Chief Executive Officer);
- The involvement of various company figures in the critical stages of sensitive activity, such as the Directors, the Administrative and Financial Director, the Head of the Legal Department, and the HR Director for labor law matters;
- Support from law firms;
- The storage of all documentation related to the activity (e.g., contracts, memos, *reports* periodicals, etc.) to enable their traceability and *ex-post* verification.

For operations concerning the **management of the personnel selection process**, the protocols provide:

- management of the sensitive activity exclusively by the person with appropriate powers (Chief Executive Officer);
- The involvement of different company figures in the critical stages of the sensitive activity (CEO, General Manager, Personnel Management and Head of the requesting function);
- The support of an outsourcer for *payroll* activities;
- The application of the procedure "PR05-Staff Selection Procedure."

- The preservation and archiving of documentation produced at critical stages of the process (e.g., contracts, periodic *reports*, etc.);
- The use of computer systems to manage *payroll* activities;
- monthly transmission by the Personnel Office to the *outsourcer* of data for coupon processing;
- verification by the Personnel Office that the data processed in the pay slips by the *outsourcer* is correct with the data originally submitted;
- The verification and validation by the Personnel Office of the files processed by the *outsourcer*.

For operations concerning the **management of expense reports**, the protocols provide:

- The involvement of different company figures in the critical phases of the sensitive activity, such as the General Manager, the Manager in Charge or Service/Sector Manager, the HR Director, the Administrative and Financial Director, and the relevant people in charge of the different activities;
- The application of the procedures "PR06-Reimbursement of Mission and Travel Expenses" and "PR11- Financial Resource Management."
- the storage and archiving of documentation related to the sensitive activity, also making use of computer systems to allow for traceability and ex post verification (e.g., receipts, etc.);
- The use of the computer system for compiling and reporting expense reports;
- The involvement of an external *outsourcer* who must report any critical issues to the Administrative Department;
- That the Administrative Department report to the Personnel Department any irregularities found that expose the Company to tax/social security issues by suspending the reimbursement process;
- That expense reimbursements in excess of the amount provided for in tax legislation be identified and subject to upward adjustment when determining taxable income.

For operations **concerning supplier selection activities**, the protocols provide:

- The involvement of different company figures in the critical stages of the sensitive activity (applicant function, General Manager, Purchasing Department and *buyers*);

- The application of procedures "PR02-Procurement Management" and "PR13-Vendor Evaluation."
- the preservation and archiving of documentation produced at critical stages of the process (e.g., e-mails, Chamber of Commerce viewings, Purchase Orders, evaluation forms, etc.);
- The use of SAP and IUNGO information and management systems;
- Verification, when entering the supplier's master data, of the supplier's place of business or residence and/or credit institutions used by the supplier in transactions;
- The extraction of suppliers' financial statements to assess their economic and financial reliability;
- The periodic check on the reliability and actual existence of foreign suppliers as well as verification of their VAT numbers on the VIES system;
- The request for at least three bids prior to supplier selection. All exceptions must be properly justified;
- Specific audits and verifications at the supplier's site.

For operations concerning the **management of "core" goods and services procurement**, the protocols provide:

- management of the sensitive activity exclusively in the hands of individuals with appropriate powers (such as, among others, the Directors and the Head of the Purchasing Department);
- The involvement of different company figures in the different stages of the sensitive activity, such as the General Manager, the Purchasing Manager, the requesting function, the Administrative and Financial Management, the Treasury and Accounts Payable Manager, and the buyers;
- The application of procedures "PR02-Procurement Management" and "PR13-Vendor Evaluation."
- The storage and archiving of documentation produced at critical stages of the process (e-mails, purchase orders);
- That purchases of products coded "*inventory*" be preceded by the formalization of "open/closed" orders;
- That "open" orders can be issued only after signing a supply contract bearing a price list approved by the Purchasing Department;



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- That any change in price and/or contract conditions must be authorized in advance by the Purchasing Department;

- That the function requesting a good/service is required to make "receipt of the good or service received," certifying that the good or service received complies with what was contractually agreed upon;
- That the accounting of costs for the purchase of "core" goods or services should be made only when the Order/Receipt/Invoice matches in terms of amounts and supplier identification data.

For operations concerning the **management of the procurement of "non-core" goods and services**, the protocols provide:

- management of the sensitive activity exclusively in the hands of the individuals with appropriate powers (the Chairman of the Board of Directors, the Chief Executive Officer);
- the involvement of various corporate bodies and figures in the different stages of sensitive activities, such as the Board of Directors, the Chief Expenditure Approver, the Purchasing Director, the requisitioning function, the Administrative and Financial Management, and the Treasury and Accounts Payable Manager;
- The application of the procedures "PR02-Procurement Management" and "Procurement Process of Goods NON inventory and Services-New Management" containing the management flows of the planned activities from the stage of purchase request (PO) to the issuance of the Purchase Order (PO);
- The storage and archiving of documentation produced at critical stages of the process (e-mails, purchase orders);
- That orders for "non-core" products must be supported by an order and an approved RDA;
- That payment of invoices for "non-core" products is contingent on the existence of an approved RDA.
- That the payment of invoices for "non-core" product orders not preceded by RDAs be made only upon authorization by the person with the power of signature to authorize such expenditure.

For operations **concerning agent relationship management**, the protocols provide:

- management of the sensitive activity exclusively by individuals with appropriate powers, such as the Foreign Sales Director, Italy Sales Director and Area Sales Managers, among others;
- The involvement of various company figures in critical phases of sensitive activity (Sales Manager and Customer Service Manager);
- The preservation and archiving of documentation produced at critical stages of the process (e.g., agency contracts).

For operations concerning the **management of consultancies**, the protocols provide:

- management of the sensitive activity exclusively by individuals with appropriate powers (Chairman and Managing Directors);
- The involvement of various company figures in the critical stages of the sensitive activity such as the Chief Executive Officer, the General Manager, the Head of the Applicant Department, the Administrative and Financial Department, the Legal Director, and the HR Director;
- The application of procedures "PR02-Procurement Management" (regarding the consultant evaluation and selection phase) and "PR03-Consultancy Management."
- The preservation and archiving of documentation produced at critical stages of the process;
- the authorization of the Chief Executive Officer or the Chairman of the Board of Directors for consulting services with amounts exceeding 300,000 euros; that before payment of consulting invoices, the performance of the service is verified;
- The periodic sending to the SB of the list of consultancies with amounts exceeding Euro 30,000 per individual service or those whose amounts exceed a predetermined threshold of the Body itself.

For operations concerning **procurement management**, the protocols provide:

- the management of sensitive activity exclusively in the hands of individuals with appropriate powers including the Chairman of the Board of Directors, the Managing Directors, the Customer Service Supply Chain Manager, the Quality And Services Director, the Foreign Sales Director and the Italy Sales Director;

- The involvement of different company figures in the different stages of the sensitive activity, such as the Purchasing Director, the Requisitioning Management, the RSPPrevention;
- The application of the "PR64_06-Procurement Management" procedure;
- the storage and archiving of documentation produced at critical stages of the process (e.g., contracts, DUVRI, etc.) for simple contracts and temporary and mobile construction sites, and the use of information systems (e.g., Procurement Platform);
- Periodic monitoring of supplier performance and requirements;
- That a defined authorization process is followed for inclusion in Supplier Master Data and that substantive checks are carried out on suppliers (name, registered office, VAT number, tax code, IBAN);
- That accounting should take place only if the Order/Receipt/Invoice matches with respect to both amounts and supplier identification data;
- That and passive invoices are stored in digital format.

For operations concerning the **business of selecting customers and selling finished products, goods and services through direct (branches) and indirect (distributors) channels**, the protocols provide:

- management of the sensitive activity exclusively by individuals with appropriate powers including President, Managing Directors, Foreign Sales Director and Italy Sales Director;
- the involvement of various company figures at critical stages of sensitive activity such as the Sales Director, Key Account Manager (direct sales), Area Managers (indirect sales) organized geographically across the country, and the Customer Service Department;
- the storage and archiving of documentation produced at critical stages of the process (e.g., orders, e-mails, list prices, etc.);
- The formalization in special letters of the target bonuses awarded to distributors.

For operations concerning the **Management of Marketing Activities (e.g., promotions, sponsorships, advertising, etc.)**, the protocols provide:

- That sponsorship contracts should always be signed by the CEO;

- the involvement of various corporate figures in critical phases of sensitive activity, such as the Chairman of the Board of Directors, the Chief Executive Officer, and the Administration and Finance Department;
- The application of the procedure "PR11-Financial Resources Management ";that against the disbursement of contributions to distributors for participation in trade fairs, documentary evidence of actual participation in the events is required and maintained;
- That every transaction is accounted for and any related payments are made exclusively by bank transfer and/or check;
- That the SB periodically verify the reporting of operations.

For operations concerning **Gift Management**, the protocols provide:

- the involvement of various company figures in critical phases of sensitive activity such as the Chairman of the Board of Directors, the Chief Executive Officer, the Administration and Finance Department, and the Purchasing Department (f o r possible procurement);
- The application of the "PR11-Financial Resources Management" procedure;
- the preservation and archiving of documentation produced at critical stages of the process (e.g., invoices related to purchases, list of gifts distributed, etc.);
- The reporting of each operation;
- That payment be made exclusively by bank transfer and/or check;
- Periodic verification by the SB of the reported operations.

For transactions concerning the **Management of Intergroup Relations**, the protocols provide:

- the involvement in the different stages of sensitive activities of different company figures such as the CEO, the General Manager, the Administrative and Financial Director, and the Administrative Manager;
- The storage and archiving of documentation produced at critical stages of the process (e.g., contracts, invoices, etc.);
- The periodic verification of the *intercompany* active and passive billing cycle;

- The formalization of *intercompany* transfer pricing documentation Pursuant to Article 26 of Decree Law No. 78/2010.

For operations concerning the **Management of Tax and Fiscal Aspects with the Financial Administration, including through external professionals**, the protocols provide:

- management of the sensitive activity exclusively in the hands of individuals with appropriate powers (Chairman of the Board of Directors and Chief Executive Officer);
- The involvement in the different stages of the sensitive activity of different company figures such as the Administrative and Financial Director and the Administrative Manager;
- The involvement of tax consultants, especially with reference to complex cases;
- The application of the procedure "PR03-Consultancy Management (for the support of external professionals for accounting and tax services)."
- The storage and archiving of documentation produced at critical stages of the process (e.g., invoices, statements, etc.);
- That a schedule of tax obligations be prepared annually;
- That the independent auditors and the board of auditors verify the tax calculation prepared by the Company;
- That a record be kept of the telematic file of the declaration and that the relevant transmission receipt be filed;
- That the consistency between the data given in the paper declaration and those given in the declaration sent electronically is verified.

For operations concerning the **Preparation of Financial Statements and Communications to Shareholders and/or the Public/Market concerning the Company's economic, financial or asset situation**, the protocols provide:

- The involvement in the different stages of sensitive activities of different corporate figures such as the Chairman of the Board, the CEO and the Administrative and Financial Management;
- The involvement of the auditing firm as well as the advice of an accountant;
- The application of the "PR08-Budget Formation" procedure;

- The preservation and archiving of documentation produced at critical stages of the process (e.g., data, draft budget, analysis, and draft budget);
- That accounting data be extracted directly from the management *software in use* (SAP);
- That the management *software in use* (SAP) retains a record of each cancelled transaction in order to prevent data loss and voluntary deletion of data;
- That *back-up* policies are defined and implemented to ensure the recoverability of corporate data;
- That SAP is configured to prevent unauthorized access to accounting data and documents.

For operations **concerning Extraordinary Operations Management**, the protocols provide:

- The involvement in the different stages of sensitive activities of different corporate figures such as the Chairman of the Board, the CEO and the Administrative and Financial Management;
- The preservation and archiving of documentation produced at critical stages of the process (e.g., transaction information report, transaction opinion, etc.).

For operations concerning **Information Systems Management**, the Company has appropriate control measures provided for the prevention of computer crimes and described in Section E) of this Special Part.

I. **Contraband**

I1 Sensitive Activities in the area of Contraband

Through the *control and risk self-assessment* activity, which is an integral part of the Model, the Company has identified the **Management of Customs Activities and Fulfillments** as a *sensitive and instrumental* activity in the scope of which, potentially, smuggling offenses provided for in Article 25-sexiesdecies of the Decree could be committed.

I2 Specific protocols of prevention

For operations concerning the **Management of Customs Activities and Fulfillments**, the protocols stipulate that:

- management of the sensitive activity is delegated exclusively to individuals with appropriate powers, including the Chairman of the Board of Directors, Managing Directors,

the Administrative and Finance Director, the Administrative Manager, the Customer Service Supply Chain Manager, the Italy Sales Director, and the Foreign Sales Director;

- different company figures such as the Administrative and Financial Director, the Customer Service Manager and the Logistics Office are involved in the different stages of the sensitive activity;
- the Company uses the support of freight forwarders;
- customs procedures are carried out at home through CAD (customs assistance center);
- the Customer Service function sends the customs documentation to the CAD, which is required to verify the content before proceeding with customs formalities;
- documentation produced at critical stages of the process (e.g., invoices, statements, etc.) is also retained and archived through *software* that allows for verification of all documentation delivered to the shipper;
- a verification of the actual export of the goods is carried out through the NAM system;
- are checked daily for shipments made and related documentation.