

# **Gruppo Cimbali S.p.A.**

## **Guidelines for the adoption, implementation and enforcement of the Organisation, Management and Control Model**

**Legislative Decree 08.06.2001, no. 231 - Art. 6 c.3**

**'Regulations governing the administrative liability of legal persons, companies and associations,  
including those without legal personality, pursuant to Article 11 of Law No 300 of 29 September  
2000'.**

**Updating the Model to 11/2022**

**Approved by the Board of Directors on 8.11.2022**

<b>Definitions .....</b>	<b>4</b>
<b>Document Structure .....</b>	<b>6</b>
<b>General Part.....</b>	<b>7</b>
1. <u>Legislative Decree No. 231 of 8 June 2001 .....</u>	<u>8</u>
1.1. <u>Characteristics and nature of corporate liability .....</u>	<u>8</u>
1.2. <u>Offences identified by the Decree and subsequent amendments .....</u>	<u>9</u>
1.3. <u>Criteria for imputing liability to the entity .....</u>	<u>11</u>
1.4. <u>Indications of the Decree concerning the characteristics of the Organisation, Management and Control Model.....</u>	<u>14</u>
1.5. <u>Offences committed abroad .....</u>	<u>15</u>
1.6. <u>Sanctions.....</u>	<u>15</u>
1.7. <u>Changes in the entity .....</u>	<u>17</u>
2. <u>Adoption of the Model Gruppo Cimbali S.p.A .....</u>	<u>18</u>
3. <u>Model and companies of Gruppo Cimbali .....</u>	<u>19</u>
4. <u>Purpose of the Model Gruppo Cimbali S.p.A .....</u>	<u>19</u>
5. <u>Nature of the Model Gruppo Cimbali S.p.A .....</u>	<u>20</u>
6. <u>Amendments and Updating of the Model Gruppo Cimbali S.p.A .....</u>	<u>21</u>
7. <u>Offences relevant to Gruppo Cimbali S.p.A. ....</u>	<u>21</u>
8. <u>Addressees of the Model .....</u>	<u>34</u>
9. <u>Supervisory Board .....</u>	<u>35</u>
9.1. <u>Function .....</u>	<u>35</u>
9.2. <u>Appointment of members of the Supervisory Board.....</u>	<u>35</u>
9.3. <u>Eligibility Requirements.....</u>	<u>36</u>
9.4. <u>Revocation, substitution, forfeiture and withdrawal .....</u>	<u>37</u>
9.5. <u>Convening and conducting activities .....</u>	<u>37</u>
9.6. <u>Powers .....</u>	<u>37</u>
9.7. <u>Information flows to and from the organisation .....</u>	<u>39</u>
9.8. <u>Reporting offences or violations of the Model.....</u>	<u>40</u>
10. <u>Performances by other companies .....</u>	<u>41</u>
11. <u>Penalty system .....</u>	<u>41</u>
11.1. <u>General Principles .....</u>	<u>41</u>
11.2. <u>Sanctions and Disciplinary Measures .....</u>	<u>42</u>
12. <u>Communication and training .....</u>	<u>44</u>
<b>Special Part .....</b>	<b>45</b>
1. <u>Introduction .....</u>	<u>46</u>
2. <u>General Principles of Conduct.....</u>	<u>46</u>
3. <u>General prevention protocols.....</u>	<u>46</u>
A. <u>Crimes against the Public Administration .....</u>	<u>49</u>
A1. <u>Sensitive activities in the context of offences against the Public Administration .....</u>	<u>50</u>
A2. <u>Specific prevention protocols .....</u>	<u>51</u>
B. <u>Corporate offences .....</u>	<u>56</u>
B1. <u>Sensitive activities in the area of corporate offences .....</u>	<u>56</u>
B2. <u>Specific prevention protocols .....</u>	<u>56</u>
C1. <u>Sensitive activities in connection with the offences of receiving, laundering and using money, goods or benefits of unlawful origin.....</u>	<u>60</u>
C2. <u>Specific prevention protocols .....</u>	<u>60</u>
D) <u>CRIME OF CORRUPTION BETWEEN PRIVATE PARTIES EX 2635 CC et seq. ....</u>	<u>63</u>
E) <u>Computer offences.....</u>	<u>68</u>
E.1 <u>Sensitive activities in the field of computer crime .....</u>	<u>68</u>
E.2 <u>Specific prevention protocols.....</u>	<u>68</u>
F. <u>Manslaughter and grievous and very grievous bodily harm committed in breach of the rules accident prevention and occupational hygiene and health protection .....</u>	<u>69</u>
F1. <u>Foreword .....</u>	<u>69</u>

<u>F2. Sensitive activities within the scope of the offences of manslaughter and grievous bodily harm or very serious offences committed in violation of accident prevention and hygiene protection regulations and health at work</u> .....	<u>71</u>
<u>F2.1 Activities at Risk of Accident and Occupational Disease</u> .....	<u>71</u>
<u>F2.2 Activities at Risk of Offences</u> .....	<u>71</u>
<u>F3. General Principles of Conduct</u> .....	<u>73</u>
<u>F4. General prevention protocols</u> .....	<u>74</u>
<u>F5. Specific prevention protocols</u> .....	<u>76</u>
<u>F6. Additional prevention protocols</u> .....	<u>83</u>
<u>G. Environmental Crimes</u> .....	<u>85</u>
<u>H. Tax Offences</u> .....	<u>86</u>
<u>H1 Sensitive activities in the area of tax offences</u> .....	<u>86</u>
<u>H2 Specific prevention protocols</u> .....	<u>87</u>
<u>I. Smuggling</u> .....	<u>96</u>
<u>I1 Sensitive Activities in the area of Smuggling</u> .....	<u>96</u>
<u>I2 Specific prevention protocols</u> .....	<u>96</u>
<u>J. Offences relating to non-cash means of payment</u> .....	<u>97</u>
<u>J.1. Sensitive activities in the area of offences relating to non-cash means of payment</u> .....	<u>97</u>
<u>J.2. Specific prevention protocols</u> .....	<u>97</u>
<u>K. Crimes against cultural heritage and laundering of cultural property and devastation and looting of cultural and landscape heritage</u> .....	<u>101</u>
<u>K.1. Sensitive activities within the scope of offences against cultural heritage and laundering of cultural property and devastation and looting of cultural and landscape heritage</u> .....	<u>101</u>
<u>K.2. Specific prevention protocols</u> .....	<u>101</u>

Annex 1: SAFETY SPECIAL SECTION (offences and procedures in the context of offences of manslaughter and serious or very serious culpable lesions committed in violation of the rules on accident prevention and on the protection of hygiene and health at work)

Annex 2: ENVIRONMENTAL SPECIAL SECTION (environmental offences and procedures)

## 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 offences referred to in the Decree being committed.
- **Consultants:** are those persons who, due to their professional skills, provide their intellectual work in favour or on behalf of Gruppo Cimbali S.p.A.
- **Legislative Decree 231/01 or Decree:** Legislative Decree No. 231 of 8 June 2001 and subsequent amendments or additions.
- **Employees:** are those persons who have a subordinate or para-subordinate employment contract with Gruppo Cimbali S.p.A..
- **Person in charge of a public service:** a person who 'in any capacity whatsoever performs a public service', meaning an activity governed in the same manner as a public function, but characterised by the lack of powers typical of the latter (Art. 358 of the Criminal Code).
- **Confindustria Guidelines:** a Confindustria guideline document (approved on 7 March 2002 and updated on 31 March 2008 and in March 2014) for the construction of the organisation, management and control models referred to in the Decree.
- **Model:** Organisation, management and control model pursuant to Legislative Decree 231/01.
- **Corporate bodies:** these are both the administrative body and the board of auditors of the company.
- **Supervisory Body 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 enters into any form of contractually regulated collaboration.
- **This document:** guidelines for the adoption, implementation and enforcement of the Model
- **Public official:** a person who 'exercises a legislative, judicial or administrative public function' (Article 357 of the criminal code).
- **Offences: these** are the types of offences to which the provisions of Legislative Decree 231/01 apply, also following subsequent amendments or additions thereto.
- **Group companies:** companies directly or indirectly controlled by Gruppo Cimbali S.p.A. pursuant to Article 2359(1) and (2) of the Civil Code.

- **Company:** Gruppo Cimbali S.p.A.
- **Senior persons:** persons who hold positions of representation, administration or management of the company or one of its units with financial and functional autonomy, as well as persons who exercise, even de facto, the management or control of the company.
- **Subordinates:** persons subject to the direction or supervision of one of the persons referred to in the preceding paragraph.
- **TUF:** Legislative Decree No. 58 of 24 February 1998, so-called 'Testo Unico della Finanza'.
- **TUS:** Legislative Decree No 81 of 09 April 2008, the so-called 'Testo Unico sulla Sicurezza'.
- **Top Management of the Companies: Board of Directors, Chairman of the Board of Directors, Chief Executive Officer and General Manager.** .

## Structure of document

This document, which is structured in a General Section and a Special Section, includes an examination of the regulations contained in Legislative Decree 231/01 (hereinafter also referred to as the 'Decree') and constitutes the guidelines describing the process of adoption of the Model by Gruppo Cimbali

S.p.A. (hereinafter also referred to as the 'Company'), the offences relevant to the Company, the recipients of the Model, the methods of adoption and implementation of the models of the other companies of the Group, the Supervisory Board of Gruppo Cimbali S.p.A. (hereinafter also referred to as the 'Supervisory Board'), the system of sanctions to protect against violations, the obligations to communicate the Model and to train personnel.

The 'Special Section' indicates the sensitive activities for the Company pursuant to the Decree, i.e. at risk of offences, the general principles of conduct, the prevention elements protecting the aforementioned activities, and the essential control measures designed to prevent or mitigate offences.

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

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

# **Part General**

## **1. The Legislative Decree of 8 June 2001 No. 231**

The Decree, which introduces and regulates the administrative liability of entities arising from offences, transposes and implements the 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 offences committed by their legal representatives.

The scope of application of the Decree is very broad and concerns all entities endowed with legal personality, companies, associations, including those without legal personality, public economic entities, and private entities entrusted with a public service. On the other hand, the legislation does not apply to the State, public territorial bodies, non-economic public bodies, and bodies that perform functions of constitutional importance (e.g. 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. 13 June 2007) sanctioned, on the basis of the principle of territoriality, the existence of the jurisdiction of the Italian judge in relation to offences committed by foreign entities in Italy.

### **1.1. Characteristics and nature of the liability of entities**

The legislator has identified several types of offences that can be committed in the interest or to the advantage of the company, whose perpetrators are always natural persons. After having identified the link between the entity and the perpetrator of the offence and having ascertained that the latter acted within the scope of its business operations, it derives from the natural person-entity link and the offence-interest link of the entity a direct liability of the latter, choosing a particular punitive system that is independent and parallel to the one applicable to the natural person.

The nature of this new form of liability of the body is mixed, 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 because it is liable for an administrative offence, but it is on the criminal trial that the sanctioning system is based: the competent authority to challenge the offence 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 body is distinct and autonomous from that of the natural person committing the offence and subsists even if the offender has not been identified, or if the offence has been extinguished for a reason other than amnesty. In any case, the body's liability is always in addition to and never replaces that of the natural person committing the offence.



## **1.2. Offences identified by the Decree and subsequent amendments**

The body may be held liable for a closed number of offences, i.e. only for the offences indicated by the legislator, and is not liable for any other type of offence committed during the performance 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 Article 24 et seq. the offences that may give rise to the liability of the body, defined as 'predicate offences'.

The limitation that the legislator has placed on the applicability of the legislation to predicate offences only is explained by the fact that it would not be logical to punish the entity for offences that have no connection with its activity and are solely attributable to the choices made by the natural person who commits them. The predicate offences include very different types of offences, some typical of business activity, others typical of the activities of criminal organisations. The enumeration of offences has been expanded since the original one contained in the Decree. In fact, the following extensions have taken place: Law 18 March 2008 no. 48, which introduced art. 24 - bis "Computer crimes and unlawful data processing" subsequently amended by DL 105/2019; Law 15 July 2009 no. 94, which introduced art. 24 - ter "Organised crime crimes"; Law 6 November 2012 no. 190 and Law 3/2019, which amended art. 25 "Extortion, undue induction to give or promise benefits and bribery"; Decree Law 25 September 2001 no. 350 which introduced art. 25-bis 'Counterfeiting money, public credit cards and revenue stamps', supplemented by Law no. 99 of 23 July 2009 which specified art. 25 - bis as 'Counterfeiting money, public credit cards, revenue stamps and identification instruments or signs'; Law no. 99 of 23 July 2009 which introduced art. 25 - bis 1 'Crimes against industry and trade'; Legislative Decree 11 April 2002

No. 61, as amended and supplemented by Law No. 262 of 28 December 2005, which introduced Article 25- ter "Corporate Offences", among which the offence of "Bribery among private individuals" was included by Law No. 190 of 6 November 2012, amended and supplemented by Legislative Decree No. 38 of 15 March 2017, which amended Article 25-ter containing Art. 2635 Civil Code, offence of bribery between private individuals, adding the new case of of of art. 2635-bis Civil Code, offence of Instigation to bribery between private individuals; Law no. 7 of 14 January 2003 which introduced art. 25-quater "Crimes for the purpose of terrorism or subversion of the democratic order"; Law no. 228 of 11 August 2003, as amended and supplemented by Law no. 38, which introduced art. 25-quinquies 'Crimes against the individual'; Law no. 62 of 18 April 2005 which introduced art. 25 sexies 'Market abuse' subsequently amended by Legislative Decree 107/2008; art. 10 Law no. 146 of 16 March 2006 which introduced transnational crimes; Law no. 123 of 3 August 2007 which introduced art. 25- septies "Culpable homicide and serious or very serious culpable injuries, committed in violation of the rules on accident prevention and on the protection of hygiene and health at work"; Article 63, of Legislative Decree No. 231 of 21 November 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 of 15 December 2014 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 supplemented and amended by Law no. 68 of 22 May 2015 and by Legislative Decree 21/2018. 68 and by Legislative Decree 21/2018; Legislative Decree No. 109 of 16 July 2012, which introduced Article 25 - duodecies "Employment of third-country nationals whose stay is irregular", as subsequently amended by Law No. 161/2017; Law No. 167/2017 which introduced Article 25 - terdecies "Racism and xenophobia" as subsequently amended by Legislative Decree 21/2018; Law No. 39/2019 which introduced art. 25 - quaterdecies "Fraud in sporting competitions, abusive exercise of gaming and betting and games of chance exercised by means of prohibited devices"; Decree-Law no. 124 of 26 October 2019 which introduced art. 25 - quinquiesdecies "Tax offences"; Legislative Decree no. 75 which (i) amended Articles 24 and 25 by expanding the list of offences committed in relations with the Public Administration; (ii) amended Article 25 - quinquiesdecies by expanding the list of tax offences; (ii) introduced Article 25 - sexiesdecies "Smuggling"; Legislative Decree No. 184 of 8 November 2021, which introduced Article 25 - octies.1, "Crimes relating to non-cash means of payment"; Law No. 22 of 9 March 2022, which introduced Article 25 - septiesdecies "Crimes against cultural heritage" and Article 25 - duodevicies "Laundering of cultural assets and devastation and looting of cultural and landscape assets".

As at the date of approval of the amendment and supplement to this document, the predicate offences belong to the categories indicated below:

- Offences committed in relations with the Public Administration (Articles 24 and 25);
- Computer crimes and unlawful processing of data (Article 24-bis);
- Organised crime offences (Article 24-ter);
- Offences of counterfeiting money, public credit cards and revenue stamps (Article 25-bis);
- Crimes against industry and trade (Article 25-bis 1);
- Corporate offences (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 offences committed in violation of the provisions of Article 2 of the International Convention for the Suppression of the Financing of Terrorism, done at New York on 9/12/1999 (Article 25-quater);
- Practices of female genital mutilation (Art. 25-quater.1);
- Crimes against the individual (Article 25-quinquies);
- Market abuse (Article 25-sexies);
- Manslaughter and grievous or very grievous bodily harm committed in breach of the rules on accident prevention and the protection of hygiene and health at work (Article 25-septies);

- Transnational offences (Article 10 of Law 146/2006);
- Receiving, laundering and using money, goods or benefits of unlawful origin and Self-laundering (Article 25-octies)
- Offences relating to non-cash payment instruments (Art. 25-octies.1);
- Copyright infringement offences (Article 25-novies);
- Inducement not to make statements or to make false statements to the judicial authorities (Article 25-decies);
- Environmental offences (Article 25-undecies);
- Employment of third-country nationals whose stay is irregular (Article 25-duodecies);
- Racism and xenophobia (Art. 25-terdecies);
- Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Art. 25-quaterdecies);
- Tax offences (Article 25-quinquiesdecies);
- Smuggling (Article 25-sexiesdecies);
- Crimes against cultural heritage (Article 25-septiesdecies);
- Laundering of cultural goods and devastation and looting of cultural and landscape assets (Article 25-duodicies).

The applicability and relevance of each offence for Gruppo Cimbali S.p.A. will be discussed in more detail later in paragraph 7 of this general section.

### **1.3. Criteria for imputing liability to the entity**

In the event that one of the predicate offences is committed, the entity is punishable only if certain conditions are met, defined as criteria for imputing the offence to the entity. These criteria are distinguished into 'objective' and 'subjective'.

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

- **persons in a 'top position', such as, for example, the** legal representative, the director, the general manager or the director of an autonomous organisational unit, as well as persons who manage, even de facto, the entity. These are persons who

actually have autonomous power to make decisions in the name and on behalf of the company. This category also includes all persons delegated by the directors to carry out management or direction activities for the company or its branch offices;

- **subordinates'**, i.e. all those who are subject to the direction and supervision of senior persons. Specifically, this category includes employees and those persons who, although not part of the staff, have a task to perform under the direction and control of senior persons. Particular relevance is given to the activity actually performed, rather than to the existence of a subordinate employment contract, in order to prevent the entity from circumventing the legislation by delegating to outsiders activities that may be offences. The external parties concerned include collaborators, promoters, agents and consultants, who perform activities on behalf of the company. Also of relevance are mandates or contractual relationships with persons not belonging to the company's staff, always in the event that these persons act in the name of, on behalf of or in the interest of the company.

The second objective condition is that the offence must have been committed in the interest or to the advantage of the company; it must therefore have been committed in a field 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:

- the 'interest' exists when the offender acted with the intention of favouring the company, regardless of whether this objective was then actually achieved;
- an 'advantage' exists when the Company has derived, or could have derived, a positive result, economic or otherwise, from the offence.

According to the Court of Cassation (Criminal Court of Cassation, no. 3615/06), the concepts of interest and advantage should not be understood as a unitary concept but rather as dissociated, the distinction being clear between what could be understood as a possible gain prefigured as a consequence of the offence, as opposed to an advantage clearly achieved as a result of the outcome of the offence. The Court of Milan also ruled in this sense (ord. 20 December 2004), according to which the mere fact that the criminal conduct is aimed at 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 offence, but also in the event that, even in the absence of such a result, the act is motivated by the interests of the company. Improving one's position on the market or concealing a situation of financial crisis are cases that involve the interests of the company without, however, bringing it an immediate financial advantage. It is also important to note that if the offence is committed by qualified persons of another company belonging to a

group, the concept of interest may be extended to the detriment of the parent company. The Court of Milan (ord. 20 December 2004) ruled that the characterising element of the group interest lies in the fact that it is not configured as being proper and exclusive to one of the members of the group, but as being common to all the subjects that are part of it. For this reason, it is affirmed that the offence committed by the subsidiary may 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 offence is imputable to the entity are established by the subjective imputation criteria: the offence cannot be imputed to the entity if, before the commission of the offence, it has adopted an 'Organisation, Management and Control Model', designed to prevent the commission of offences of the kind committed. In essence, in order for the offence not to be subjectively imputed to it, the entity must demonstrate that it has done everything in its power to prevent the commission of one of the offences set out in the Decree in the exercise of its business activity. 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 offence, organisational, management and control models capable of preventing offences of the kind committed;
- that the task of supervising the functioning of and compliance with the models and ensuring that they are updated has been entrusted to a body of the entity endowed with autonomous powers of initiative and control;
- that there has been no omission or insufficient supervision by that body, which must be endowed with autonomous powers of initiative and control.

The conditions listed above must combine in order for the liability of the entity to be excluded. The company's exemption from liability therefore depends on the adoption and effective implementation of a Model for the prevention of offences and the establishment of a Supervisory Board on the model, 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 stricter where the offence has been committed by a person in an apical position, despite the fact that the model acts as a cause of non-punishability whether the predicate offence was committed by a person in an apical position or by a person in a subordinate position. Since the entity must prove that the persons committed the offence by fraudulently circumventing the model, the Decree requires a stronger proof of extraneousness in that the entity must also prove a kind of internal fraud on the part of apical persons.

In the case of offences committed by persons in a subordinate position, the entity may instead be held liable only if it is established that the commission of the offence was made possible by failure to comply with management or supervisory obligations. This is, in this case, a true and

organisational fault: the company indirectly consented to the commission of the offence by failing to supervise the activities and persons at risk of committing a predicate offence.

Equipping oneself with a Model 231 is not obligatory under the law, even though, based on the criteria for imputing the offence to the entity, it appears to be the only valid means of proving one's extraneousness and not suffering the penalties established by the Decree. Having an effective and efficient model is therefore in the interest of the company.

#### **1.4. Indications of the Decree regarding the characteristics of the Model of organisation, management and control**

The mere adoption of the model is not a sole and sufficient condition for the exclusion of the company's liability, since the Decree merely regulates certain general principles, without, however, providing specific characteristics. The model operates as a cause of non punishability only if:

- effective, i.e. if reasonably suitable for preventing the offence(s) committed;
- effectively implemented, i.e. whether its content is applied in the company's procedures and internal control system.

With regard to the effectiveness of the model, the Decree stipulates that it must have the following minimum content:

- the activities of the company in the scope of which offences may be committed are identified;
- specific protocols are in place to plan the formation and implementation of the company's decisions, in relation to the offences to be prevented;
- appropriate methods of managing financial resources are identified to prevent the commission of offences;
- a disciplinary system is introduced to penalise non-compliance with the measures indicated in the model;
- there are obligations to provide information to the Supervisory Board;
- in relation to the nature and size of the organisation, as well as the type of activity carried out, appropriate measures are in place to ensure that the activity is carried out in compliance with the law and to detect and eliminate risk situations in good time.

The Decree stipulates that the model shall be subject to periodic verification and updating, both in the event of significant violations of the provisions and in the event of significant changes in the organisation or activity of the company.

The model, while varying and adapting to the nature, size and specific activities of the company, can be configured as a set of principles, tools and conduct governing the organisation and management of the company, as well as the instruments of control.

## **1.5. Offences committed abroad**

Pursuant to Article 4 of the Decree, the entity may be held liable in Italy for predicate offences committed abroad.

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

- the State of the place where the offence was committed does not prosecute;
- the company has its head office in the territory of the Italian State;
- the offence is committed abroad by a person functionally linked 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 an offence committed abroad.

## **1.6. The sanctions**

The entity held liable may be sentenced to four types of penalty, differing in nature and in the manner of execution:

1) the fine.

The pecuniary sanction is always applied if the judge holds the entity liable. It depends on a system sized in 'quotas' that are determined by the judge. The amount of the pecuniary sanction depends on the seriousness of the offence, the degree of liability of the company, the activity carried out to eliminate or mitigate the consequences of the offence or to prevent the commission of other offences. The judge, in determining the quantum of the penalty, also takes into account the economic and asset conditions of the company.

2) prohibitory sanctions.

Disqualification sanctions may be applied in addition to pecuniary sanctions, but only if expressly provided for in respect of the offence for which proceedings are being prosecuted and only if at least one of the following conditions is met:

- the entity has derived a significant profit from the offence and the offence was committed by a senior person, or by a subordinate, but only if the commission of the offence was made possible by serious organisational deficiencies;
- in the event of repeated offences.

The prohibitory sanctions provided for in the Decree are:

- disqualification, temporary or permanent, from exercising the activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- the prohibition to contract with the Public Administration, except to obtain the performance of a public service;
- exclusion from facilitations, 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, disqualification sanctions are usually temporary, ranging from three months to one year, and relate to the specific activity to which the offence committed by the entity relates. They may also be applied as a precautionary measure, prior to the 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 suggest that there is a concrete danger that offences of the same type as the one being prosecuted may be committed.

3)           confiscation.

It consists in the acquisition by the State of the price or profit of the offence or a value equivalent thereto. By profit of the offence is meant the advantage of an economic nature deriving from the offence, with the clarification that by economic advantage is to be understood neither net profit nor income, but an additional benefit of a patrimonial nature. For the Court of Naples (ord. 26 July 2007), the notion of profit cannot, moreover, be considered extraneous to the concept of profit when there is no decrease in assets determined by the failure to disburse sums for costs that should have been incurred.

4)           the publication of the conviction.

It consists of the publication of the conviction once only, in excerpts or in full at the expense of the entity, in one or more newspapers indicated by the judge in the judgment as well as by posting in the municipality where the entity has its head office.

Although applied by the criminal courts, all sanctions are of an administrative nature. The framework of sanctions provided for by the Decree is very severe, both because of the high amount of fines and because disqualifying sanctions can severely limit the exercise of normal business activities, precluding a number of businesses.

Administrative sanctions against the entity are time-barred at the end of the fifth year from the date of commission of the offence.



The final conviction of the entity is entered in the national register of administrative penalties for offences of the entity, which serves as an archive containing all decisions relating to penalties that have become irrevocable applied to entities pursuant to the Decree.

## **1.7. The modifying events of the entity**

The Decree regulates the regime of the liability of the entity in the event of modifying events, i.e. in the event of transformation, merger, demerger and transfer of a company.

The fundamental principle states that it is only the body that is liable, with its assets or with its common fund, for the obligation to pay the pecuniary penalty. The rule therefore excludes, irrespective of the legal nature of the collective entity, that members or associates are directly liable with their assets.

The principles of civil law on the liability of the converted entity for the debts of the original entity are applied to the financial penalties imposed on the entity as a general criterion. On the other hand, disqualification penalties remain with the body into which the branch of activity within which the offence was committed has remained (or merged).

In the event of the transformation of the entity, liability for offences committed prior to the date on which the transformation took effect remains unaffected. The new entity will therefore be subject to the sanctions applicable to the original entity, for acts committed prior to the transformation.

In the event of a merger, the merged entity, even by incorporation, is liable for the offences for which the entities that took part in the operation were liable. If the merger took place before the conclusion of the trial to ascertain the liability of the entity, the judge must 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 offence was committed, without prejudice to the benefit of prior exoneration of the transferring body, the transferee is jointly and severally obliged with the transferring body to pay the financial penalty, within the limits of the value of the transferred business and within the limits of the financial penalties resulting from the compulsory account books, or of which the transferee was in any case aware. In any case, disqualification sanctions apply to the entities to which the branch of activity within which the offence was committed remained or was transferred, even in part.

## **2. Adoption of the Model Gruppo Cimbali S.p.A.**

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

The original Model, also inspired by the Code of Ethics for the purposes of Legislative Decree No. 231 of 8 June 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 organisation. 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 offences indicated by the Decree. In particular, the following were analysed: the history of the Company, the corporate context, the market to which it belongs, the company organisational chart, the existing corporate governance system, the system of powers of attorney and proxies, the existing legal relations with third parties, also with reference to service contracts that regulate infra-group relations, the company's operational reality, the practices and procedures formalised and disseminated within the Company for carrying out operations.

After the adoption of the first version of the Organisational Model, the Company deemed it necessary to revise and supplement it several times, both following the introduction of certain new offences and in relation to the evolution of the corporate structure and the Group.

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

For the purposes of preparing this document, as supplemented and amended from previous versions, the Company therefore proceeded as follows:

- the identification of sensitive activities, i.e. the areas in which the predicate offences indicated in the Decree and subsequently included in the legislation may be committed, by means of interviews with the heads of company functions, analysis of the company organisation charts and the system of division of responsibilities;
- *control and risk self-assessment* of the risk of offences being committed and of the internal control system suitable for intercepting unlawful conduct;
- the identification of adequate control measures, necessary for the prevention of the offences referred to in the Decree or for the mitigation of the risk of commission, already existing or to be implemented;
- a review of its system of delegations and powers and the 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 offences against the person (Article 25-septies of the Decree), the Company has proceeded to analyse its corporate context and all the specific activities carried out therein, as well as to assess the related risks on the basis of the results of the checks carried out in compliance with the provisions of Legislative Decree No. 81 of 9 April 2008 and the special regulations connected thereto.

### **3. Model and Group companies Cimbali**

The Company, through its organisational structure, communicates the following document and each subsequent edition thereof to the companies belonging to Gruppo Cimbali.

Each company belonging to Gruppo Cimbali will endeavour to adopt its own Model of organisation, management and control, subject to a resolution of its Board of Directors, after having analysed and identified the activities at risk of offences and the measures to prevent them. All the companies belonging to Gruppo Cimbali, 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 organisation. 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 the Cimbali Group 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 modification of a significant nature made to its Model is communicated by the supervisory bodies of the companies belonging to the Group to the Company's Supervisory Board.

The individual Supervisory Bodies of the Group must periodically coordinate and interface with the Supervisory Body of the Company in order to verify the organisational set-up of the entire Group for the purposes of preventing '231' offences.

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

By adopting this document, the Company intends to comply punctually with the regulations, to be compliant with the inspiring principles of the Decree, 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, aimed at preventing, where possible and concretely feasible, the commission of the offences provided for in the Decree. The Model will be integrated with the Company's governance system, and

will implement the process of spreading a business culture based on fairness, transparency and legality.

The Model also has the following aims:

- provide adequate information to employees to those who act on behalf of the company, or are linked to the company by relationships relevant for the purposes of the Decree, concerning the activities that entail the risk of offences being committed;
- spread a business culture that is based on legality, as the company condemns any conduct that does not comply with the law or internal provisions, and in particular the provisions contained in its organisational model;
- spreading a culture of control;
- an effective and efficient organisation of the company, with particular emphasis on the formation of decisions and their transparency, the provision of preventive and subsequent controls, and the management of internal and external information;
- implement all necessary measures to eliminate as soon as possible any situations of risk of offences being committed.

## **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, subsequently revised in 2017 to incorporate the principles expressed in the Company Mission and Vision. The Code of Ethics differs in nature, functions and content from this document. It is general in scope and has no 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, consistently with what is stated in this document.

The Model presupposes compliance with the provisions of the Code of Ethics, forming with it a body of internal rules aimed at disseminating a culture based on ethics and corporate transparency.

The Company's Code of Ethics, which is recalled here in its entirety, constitutes the essential foundation of the Model, and the provisions contained in the Model are supplemented by its provisions.

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

This document must always be amended or supplemented in a timely manner by resolution of the board of directors, also upon proposal of the Supervisory Board, when:

- violations or circumventions of its provisions have occurred, which have demonstrated its ineffectiveness or inconsistency for the purpose of preventing offences;
- significant changes have occurred in the regulatory framework, organisation or activity of the company.

In the event that changes, such as clarifications or specifications of the text, of a purely formal nature become necessary, the Board of Directors of the Company may provide for them autonomously, after hearing the opinion of the Supervisory Board.

In any case, any events 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 the latter can implement the resolutions within its competence.

Changes to company procedures necessary for the implementation of the Model are made by the Functions concerned. The Supervisory Board is constantly informed of the updating and implementation of the new operational procedures and is entitled to express its opinion on the proposed changes.

## **7. Relevant offences for Gruppo Cimbali S.p.A.**

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

In consideration of these parameters, the Company considered the following offences under the Decree to be relevant: arts. 24, 25 (Offences against the Public Administration), 25-ter (Corporate offences), 25-octies (Receiving stolen goods, money laundering and use of money, goods or utilities of unlawful 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 (offences relating to violation of copyright), 25-decies (inducement not to make statements or to make false statements to the judicial authorities), 25-undicies (environmental offences), 25-duodicies (employment of third-country nationals whose stay is irregular), 25-quinquiesdecies (tax offences), 25-sexiesdecies (smuggling); 25-octies.1 (offences relating to non-cash means of payment), 25-septiesdecies (offences against cultural heritage), 25-duodevicies (money laundering and devastation and looting of cultural and landscape heritage).

In particular, within each case, the following offences are currently considered applicable:

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

- **Misappropriation of public funds**, envisaged by Article 316-bis of the Criminal Code and consisting of the conduct of a person who, not belonging to the Public Administration, having obtained from the State or other public body or from the European Communities contributions, subsidies or financing, subsidised loans or other disbursements of the same type, however denominated, intended for the achievement of one or more purposes, does not use them for the intended purposes.
- **Undue receipt of public funds**, envisaged by Article 316-ter of the criminal code and consisting of the conduct of a person who, unless the fact constitutes the offence envisaged by Article 640-bis of the criminal code, through the use or presentation of false declarations or documents or certifying untrue things, or through the omission of due information, unduly obtains, for himself or others, contributions, subsidies, financing, subsidised loans or other disbursements of the same type, however named, granted or disbursed by the State, other public bodies or the European Communities.
- **Fraud to the detriment of the State or another public body**, envisaged in Article 640 of the criminal code, paragraph 2, no. 1, and consisting of the conduct of those who, with artifice or deception, misleading someone, procure for themselves 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 on the pretext of having someone exempted from military service.
- **Aggravated fraud for the obtainment of public funds** under Article 640-bis c.p. and consisting of the same conduct as in the preceding point, if carried out in order to obtain contributions, subsidies, financing, subsidised loans or other disbursements of the same type, however denominated, granted or disbursed by the State, other public bodies or the European Union.
- **Computer fraud**, envisaged by 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 by intervening without the right to do so in any way on data, information, or programmes 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 another public body.
- **Bribery for an official act**, 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 for a third party, in money or other benefits, remuneration that is not due to him, or accepts the promise thereof.
- **Incitement to bribery**, provided for in Article 322 of the criminal code and consisting of the conduct of a person who offers or promises undue money or other benefits to a public official or a person entrusted with a

public servant, 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 in order to perform or to have performed an act contrary to official duties, receives, for himself or for a third party, money or other benefits, or accepts the promise thereof.
- Bribery **in judicial** proceedings, provided for in Article 319-ter(2) of the Criminal Code and consisting of acts of bribery when committed to favour or damage a party in a civil, criminal or administrative trial.
- **Bribery of a person in charge of a public service**, provided for in Article 320 of the criminal code, consisting of the act referred to in Article 319 of the criminal code when committed by the person in charge of a public service; that provided for in Article 318 of the criminal code, when the perpetrator is a public employee.
- **Bribery and incitement to bribery of members of the bodies of the European Communities and of officials of the European Communities and of 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 is constituted by the conduct of a public official or a person in charge of a public service who, unless the fact constitutes a more serious offence, in the performance of his/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/her own interest or that of a close relative or in the other prescribed cases, intentionally procures for himself/herself or others an unfair financial advantage or causes unfair damage to others.

#### **B. Corporate Offences (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 an unjust profit for themselves or others, in financial statements, reports or other corporate communications required by law, addressed to shareholders or the public present untrue material facts, even if subject to assessment, or omit information the disclosure of which is required by law on the economic, asset or financial situation of the company or of the group to which it belongs, altering it in a way that is appreciable and likely to mislead the recipients on the aforementioned situation. Punishment is also extended to cases where the information concerns assets owned or administered by the company on behalf of third parties. The penalty is different and more serious if the conduct referred to above has caused financial damage to shareholders or creditors.

The crime of **false corporate communications**, pursuant to Article 2621 of the Italian Civil Code, was recently amended and revisited by Law No. 69 of 27 May 2015, which introduced the new figure of crime according to which "outside the cases provided for in Article 2622 of the Italian 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 of the group to which it belongs, in a manner concretely likely to mislead others, shall be punished with imprisonment from one to five years. The same punishment shall also apply if the falsehoods or omissions concern assets 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 in any case obstruct the performance of the control activities legally attributed to shareholders or other corporate bodies.
- **Illegal distribution of profits and reserves**, envisaged by 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, even if not established with profits, which may not be distributed by law.
- **Wrongful restitution of contributions**, provided for in Article 2626 of the Italian Civil Code and consisting of the conduct of directors who, outside the cases of legitimate reduction of share capital, return, also simulated, contributions to shareholders or release them from the obligation to make them.
- **Illegal transactions involving shares or quotas of the company or of 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 shares or quotas of the company, causing damage to the integrity of the share capital or of reserves that cannot be distributed by law; or by directors who, outside the cases permitted by law, purchase or subscribe shares or quotas issued by the parent company, causing damage 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 breach of the legal provisions protecting creditors, carry out reductions in share capital or mergers with other companies 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, also in part,



fictitiously form or increase the share capital by allocating shares or quotas to an extent

in total exceeding the amount of the share capital, mutual subscription of shares or quotas, significant overvaluation of contributions in kind or receivables or of the assets of the company in the case of conversion.

- **Unlawful influence on the shareholders' meeting**, provided for in Article 2636 of the Civil Code and consisting of the conduct of a person who, by simulated or fraudulent acts, determines the majority in the shareholders' meeting in order to procure an unjust profit for himself 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 of other persons subject by law to public supervisory authorities, or obliged to them, who in the communications to the aforementioned authorities required by law, in order to hinder the exercise of supervisory functions, present material facts that are not true even if subject to assessment, on the economic, asset or financial situation of the persons subject to supervision or, for the same purpose, conceal by other fraudulent means, in whole or in part, facts which they should have disclosed, concerning the same situation, even where the information concerns assets owned or administered by the company on behalf of third parties; or the act committed by directors, general managers, auditors and liquidators of companies, or bodies and other persons subject by law to public supervisory authorities or bound by obligations towards them, who, in any form whatsoever, including by omitting the communications due to the aforementioned authorities, knowingly obstruct their functions.
- Law No. 190 of 6 November 2012 introduced the offence of '**Bribery among private individuals**', provided for in Article 2635 of the Civil Code. under which 'unless the act constitutes a more serious offence, directors, general managers, managers responsible for preparing company accounting documents, statutory 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 breach of the obligations inherent in their office, or of the obligations of loyalty, causing damage to the company, shall be punished by imprisonment of one to three years'. The same offence, with different penalties, is also provided for in respect of the conduct described and committed by a person subject to the direction or supervision of one of the above-mentioned persons.
- Legislative Decree No. 38 of 15 March 2017 amended the offence 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 offence, directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators, of companies or private entities who, also through a third party, solicit or receive, for themselves or for others, money or other benefits not due, or accept the promise thereof, to perform or omit an act in violation of the obligations inherent to their office or the obligations*

*of loyalty, shall be punished by imprisonment from one to three years. The following shall apply*

*the same penalty shall apply if the offence is committed by a person who within the organisational framework of the company or private body exercises management functions other than those of the persons referred to in the preceding sentence. The penalty shall be imprisonment of up to one year and six months 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, also through a third party, offers, promises or gives money or other benefits not due to the persons indicated in the first and second subsections, shall be punished with the penalties laid down therein. The penalties laid down in the preceding paragraphs shall be doubled if the offence concerns companies with shares listed on regulated markets in Italy or other European Union Member States or widely distributed among the public pursuant to Article 116 of the Consolidated Law on Financial Intermediation, referred to in Legislative Decree no. 58 of 24 February 1998, and subsequent amendments. Proceedings shall be brought on complaint by the injured party, unless the act results in a distortion of competition in the acquisition of goods or services. Without prejudice to Article 2641, the measure of confiscation for equivalent value cannot be less than the value of the utilities given, promised or offered.*

- *Legislative Decree No. 38 of 15 March 2017 also introduced the new Article 2635 bis of the Civil Code, under which "Anyone who offers or promises undue money or other benefits to directors, general managers, managers in charge of drafting company accounting documents, auditors and liquidators, of companies or private entities, as well as to those who work in them with the exercise of management functions, in order 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 referred to in the first paragraph shall apply to directors, general managers, managers in charge of drawing up the corporate accounting documents, auditors and liquidators, of private companies or bodies, as well as to those who perform management functions in them, who solicit for themselves or for others, including through a third party, a promise or giving of money or other benefits, in order to perform or omit an act in breach of the obligations inherent in their office or the obligations of loyalty, if the solicitation is not accepted. Proceedings shall be brought on complaint by the injured party'.*

**C. Offences of receiving, laundering and using money, goods or benefits of unlawful origin (Article 25-octies of the Decree)**

- **Receiving stolen goods, an offence** established by Article 648 of the criminal code and consisting of the conduct of a person who, apart from cases of complicity in the offence, in order to procure a profit for himself or others, acquires, receives or conceals money or goods resulting from any offence or contravention punishable with a maximum term of imprisonment of more than one year or a minimum term of imprisonment of six months, or in any case intervenes in having them acquired, received or concealed.

- **Money laundering, an** offence provided for in Article 648-bis of the Criminal Code and consisting of the conduct of a person who, except in cases of complicity in the offence, replaces or transfers money, goods or other utilities originating from a crime or offence punishable with imprisonment of more than one year or a minimum of six months, or carries out other transactions in relation to them, so as to hinder the identification of their criminal origin.
- **Use of money, goods or utilities of unlawful origin, a** crime established by Article 648-ter of the criminal code and consisting 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, uses in economic or financial activities money, goods or other utilities resulting from a crime or contravention punished with imprisonment of more than one year or a minimum of six months.

Law No. 186/2014 of 5 December 2014, with effect from 1 January 2015, amended Article 25-octies of the Decree, introducing the crime of "Self-Money Laundering", and thus reformulating the new Article 25-octies:

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

1. In relation to the offences referred to in Articles 648, 648-bis, 648-ter and 648-ter 1 of the Penal Code, the entity is subject to a monetary sanction of between 200 and 800 quotas. In the event that the money, goods or other benefits originate from an offence for which a maximum term of imprisonment of more than five years is established, a pecuniary sanction of 400 to 1,000 shares is applied.

2. In the event of conviction for one of the offences referred to in paragraph 1, the disqualification penalties provided for in Article 9(2) shall apply to the entity for a period not exceeding two years.

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

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

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

**New criminal offence: Article 648 - ter 1 (selflaundering):**

"whoever, having committed or having participated in the commission of a crime or a contravention punishable with imprisonment for a maximum of more than one year or a minimum of six months, uses, substitutes, transfers in economic, financial, entrepreneurial or speculative activities, the money, goods or other utilities deriving from the commission of such crime, in such a way as to concretely hinder the identification of their criminal origin".

Penalty: 2 to 8 years' imprisonment + fine ranging from EUR 5,000.00 to EUR 25,000.00. The punishable conduct introduced with the new offence consists of:

- **Substitution of 'dirty' money, goods or other utilities**, i.e. with characteristics tracing their illicit origin with 'clean' money or other assets;
- According to money laundering jurisprudence, the conduct of **transfer takes the form** of both the legal transfer - in the case of particular immovable or movable property - or the transfer from one person to another with a change of header, and the material movement of the property;
- **Employment**, in case law, means any use of illicit capital in economic or financial activities; a concept that is broader than that of investment, with the consequence that the offence is also considered to be committed when the utility from the offence is indirect, as, for example, in obtaining credits granted thanks to the provision of guarantees made with illicit proceeds.

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

- **Unauthorised access to a computer or telecommunications system**, provided for in Article 615-ter of the Criminal Code and consisting of the conduct of a person who illegally enters, i.e. by eluding any form, even minimal, of barriers to entry into a computer or telecommunications system protected by security measures, or remains there against the will of those entitled to exclude him.
- **Unauthorised possession, dissemination and installation of equipment, codes and other means of access to computer or telematic systems**, provided for in Article 615-quater of the criminal code and consisting of the conduct of a person who unlawfully obtains, holds, produces, reproduces, disseminates, imports, communicates, delivers, otherwise makes available to others or installs equipment, instruments, parts of equipment or instruments, codes, passwords or other means suitable for access to a computer or telematic system protected by security measures, or in any case provides indications or instructions suitable for the aforesaid purpose, in order to procure a profit for himself or others or to cause damage to others.
- **Forgery of computer documents**, provided for in Article 491-bis of the Criminal Code (this offence extends the criminal prosecution of the offences provided for in Book II, Title VII, Chapter III of the Criminal Code) and consists of the hypotheses of material or ideological forgery committed on public deeds, certificates, authorisations, private deeds or private deeds, by a representative of the Public Administration or by a private individual, if they relate to a 'computer document with probative value', i.e. a computer document with at least a simple electronic signature. The term 'computer document' means the computer representation of legally relevant acts, facts or data (Art. 1(1)(p) of Law 82/2005).

- **Damage to computer information, data and programmes**, provided for in Article 635-bis Criminal Code and constitutes the conduct of anyone who destroys, deteriorates, deletes, alters or suppresses information, data or computer programmes of others, unless the act constitutes a more serious offence.
- **Damage to computer information, data and programmes used by the State or another public body, or in any case of public utility**, provided for in Article 635-ter of the Criminal Code and consisting of the conduct of a person committing an act aimed at destroying, deteriorating, deleting, altering or suppressing computer information, data or programmes used by the State or another public body or pertaining to them, or in any case of public utility, unless the act constitutes a more serious offence.
- **Damage to computer or telematic systems**, provided for in Article 635-quater of the Criminal Code and consisting of the conduct of those who, by means of the conduct referred to in Article 635-bis, or through the introduction or transmission of data, information or programmes, destroy, damage, render wholly or partially unserviceable computer or telematic systems of others or seriously obstruct their operation, unless the act constitutes a more serious offence.
- **Damage to computer or telecommunication systems of public utility**, provided for in Article 635-quinquies of the Criminal Code and consisting of the conduct described in the preceding Article 635-quater, where it is aimed at destroying, damaging, rendering wholly or partially unusable computer or telecommunication systems of public utility or seriously obstructing their operation.

**E. Offences against the person (Article 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 in violation of the rules on the prevention of accidents at work.
- **Grievous or very grievous bodily harm**, provided for in Article 590 of the Criminal Code and constituted by the conduct of a person who culpably causes grievous or very grievous bodily harm to another person in violation of the rules on the prevention of accidents at work.

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

- With regard to this category of offences, the purchase and use of stamps that may be counterfeit or altered is monitored. In this respect, Article 464 of the Criminal Code punishes anyone who uses counterfeit or altered revenue stamps, without being a party to the counterfeiting or alteration.

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



This category of offence includes the criminal offences listed in Article 171 of Law No. 633 of 22 April 1941.

Among the various offences, the Company intends to monitor the following offences, with relevant mapping and procedures:

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

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

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

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

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

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

In May 2015, the environmental offences were the subject of integration and review, and the Company promptly implemented the mapping and integration of procedures.

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

Offence introduced by Legislative Decree No. 109/2012, in force since 9 August 2012, which, for the purposes of "231" legislation, covers the violation of Article 22, paragraph 12-bis, of Legislative Decree No. 286 of 25 July 1998, pursuant to which "An employer who employs foreign workers without a residence permit as provided for in Article 22, or whose permit has expired and whose renewal, revocation or cancellation has not been requested within the legal deadlines, shall be punished by....".

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

- **Fraudulent declaration through the use of invoices or other documents for non-existent transactions**, provided for in Article 2 of Legislative Decree 74/2000 and consisting of the conduct of those who, in order to evade income tax or value added tax, using invoices or other documents for non-existent transactions, indicate fictitious passive elements in one of the declarations relating to such taxes.
- **Fraudulent declaration by means of other devices**, provided for in Article 3 of Legislative Decree 74/2000 and consisting of the conduct of those who, apart from the cases provided for in the previous case, in order to evade income tax or value added tax, by carrying out objectively or subjectively simulated transactions or by making use of false documents or other fraudulent means capable of hindering the assessment and misleading the tax authorities, indicate in one of the declarations relating to such taxes assets for an amount lower than the actual amount or fictitious liabilities or fictitious credits and deductions, when, jointly the tax evaded is higher, with reference to any one of the individual taxes, than EUR 30.000; the total amount of the assets evaded from taxation, including by means of the indication of fictitious passive elements, is greater than 5% of the total amount of the assets indicated in the declaration, or in any case, is greater than Euro 1,500,000, or if the total amount of the fictitious credits and deductions is greater than 5% of the amount of the tax 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 a person who, apart from the cases provided for in the two preceding cases, in order to evade income or value added tax, indicates in one of the annual declarations relating to those taxes assets for an amount lower than the actual amount or non-existent passive elements, when, jointly: the tax evaded is higher, with reference to any of the individual taxes, than Euro 100.000; the total amount of the assets removed from taxation, including by means of the indication of non-existent passive elements, is more than 10% of the total amount of the assets indicated in the declaration, or, in any case, is more than Euro 2,000,000.
- **Issue of invoices or other documents for non-existent transactions**, provided for in Article 8 of Legislative Decree 74/2000 and consisting of the conduct of those who, in order to allow third parties to evade income or value added tax, issue or issue invoices or other documents for non-existent 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 tax or value added tax, or to allow third parties to evade them, conceal or destroy all or part of the

accounting records or documents whose retention is mandatory, so that income or turnover cannot be reconstructed.

- **Undue offsetting**, provided for in Article 10-quater of Legislative Decree 74/2000 and consisting of the conduct of a person who fails to pay the amounts due, using as offsetting undue or non-existent credits for an annual amount exceeding Euro 50,000.
- **Fraudulent evasion of payment of taxes**, provided for in Article 11 of Legislative Decree 74/2000 and constituted by the conduct of those who, in order to evade the payment of income or value added taxes or of interest or administrative sanctions relating to such taxes for a total amount exceeding Euro 50,000, simulously alienate or perform other fraudulent acts on their own or on other persons' property such as to render ineffective, in whole or in part, the compulsory collection procedure.

#### **L. Smuggling (Article 25-sexiesdecies of the Decree)**

This category of offences includes the offences referred to in the Consolidated Text of Customs Laws, where they involve the evasion of border duties in excess of €10,000:

- **Contraband in the movement of goods across land borders and customs areas** (Article 282 Presidential Decree 43/1973);
- **Contraband in the movement of goods in border lakes** (Article 283 Presidential Decree 43/1973);
- **Smuggling in the maritime movement of goods** (Article 284 Presidential Decree 43/1973);
- **Smuggling in the movement of goods by air** (Article 285 Presidential Decree 43/1973);
- **Smuggling in non-customs areas** (Article 286 Presidential Decree 43/1973);
- **Contraband for undue use of goods imported with customs facilities** (Article 287 Presidential Decree 43/1973);
- **Smuggling 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** (Article 290 Presidential Decree 43/1973);
- **Smuggling on temporary import or export** (Article 291 Presidential Decree 43/1973);
- **Smuggling of foreign manufactured tobacco** (Article 291-bis Presidential Decree 43/1973);
- **Aggravating circumstances of the offence of smuggling foreign tobacco products** (Art. 291-ter Presidential Decree 43/1973);
- **Conspiracy to smuggle foreign manufactured tobacco** (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).

**M. Offences relating to non-cash means of payment (Article 25-octies.1 of the Decree)**

- **Undue use and falsification of non-cash payment instruments**, covered by Article 493-ter of the Criminal Code and consisting of the conduct of a person who, in order to gain profit for himself or others, unduly uses credit or payment cards, or any other similar document enabling the withdrawal of cash or the purchase of goods or the provision of services, or in any case any other payment instrument other than cash, or forges or alters such instruments and documents, or possesses, disposes of or acquires such instruments or documents of unlawful origin or in any case forged or altered, as well as payment orders produced with them, without being the holder thereof.
- **Possession and dissemination of computer equipment, devices or programmes aimed at committing offences concerning non-cash payment instruments**, provided for in Article 493-quater of the Criminal Code and consisting of the conduct of anyone who, unless the fact constitutes a more serious offence, in order to make use of them or to allow others to use them in the commission of offences concerning non-cash payment instruments, produces, imports, exports, sells, transports, distributes, makes available or in any way procures for himself or others equipment, devices or computer programmes which, due to their technical-constructive or design characteristics, are primarily constructed to commit such offences, or are specifically adapted to the same purpose;
- **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 by intervening without right in any way on data, information or programmes contained in a computer or telematic system or pertaining to it, procure for themselves or others an unjust profit to the detriment of others.

The entity shall also be liable, unless the act constitutes another administrative offence punishable more seriously, in relation to the commission of any other offence against public faith, against property or which in any case offends property provided for by the criminal code, when it concerns non-cash payment instruments.

**N. Crimes against cultural heritage (Article 25-septiesdecies of the Decree) and laundering of cultural assets and devastation and looting of cultural and landscape assets (Article 25- duodevicies of the Decree)**

These categories of offences include part of the offences referred to in Title VIII-bis of the Criminal Code, under the heading 'Crimes against the cultural heritage':

- **Crimes against cultural heritage:**

- **Theft of cultural goods** (518-bis of the criminal code);
- **Misappropriation of cultural property** (518-ter of the criminal code);
- **Receiving stolen cultural goods** (518-quater of the criminal code);
- **Forgery in a private contract relating to cultural goods** (518-octies of the criminal code);
- **Violations relating to the alienation of cultural goods** (518-novies of the criminal code),
- **Illegal importation of cultural goods** (518-decies of the criminal code);
- **Illegal export or export of cultural goods** (518-undecies of the criminal code);
- **Destruction, dispersal, deterioration, defacement, defacement and unlawful use of cultural or landscape heritage** (518-duodecies of the criminal code);
- **Counterfeiting of works of art** (518-quaterdecies of the criminal code);
- **Laundering of cultural property and devastation and looting of cultural and landscape assets:**
  - **Money laundering** (Article 518-sexies of the criminal code);
  - **Destruction and looting of cultural and landscape heritage** (Article 518-terdecies of the criminal code).

This document identifies, in the following Special Part, the activities of the Company called sensitive due to the inherent risk of commission of offences of the kind listed herein, and provides for prevention principles and protocols for each of the sensitive activities.

The Company undertakes to constantly assess the relevance for the purposes of the Model of any further current and future offences.

## 8. Addressees of the Model

The Model applies:

- a) those who perform, even de facto, management, administration, direction or control functions in the Company or in one of its autonomous organisational units;
- b) to employees of the Company, even if seconded abroad for the performance of activities;
- c) to all those persons who collaborate with the Company by virtue of a para-subordinate employment relationship, such as project collaborators, temporary workers, interim workers, etc;
- d) those who, while not belonging to the Company, act on its behalf or by mandate, such as lawyers, promoters, agents or consultants;

- e) to those persons acting in the interest of the Company because they are linked to it by contractual legal relations or other agreements, such as, for example, joint-venture partners or associates for the realisation or acquisition of a business project.

The Supervisory Board, after having listened 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 relations with any persons external to 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 obliged to comply punctually with its provisions and implementation procedures.

## **9. Body of Vigilance**

### **9.1. Function**

In compliance with the Decree, the Company establishes a Supervisory Board, which is autonomous, independent and competent in controlling the risks associated with the specific activity carried out by the Company and its legal profiles.

The Supervisory Board has the task of constant monitoring:

- 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 offences referred to in the Decree;
- the implementation of the provisions of the Model in the performance of the Companies' activities;
- on the updating of the Model, in the event of the need to adapt it due to changes in the corporate structure and organisation or in the regulatory framework of reference.

The Supervisory Board shall adopt its own Rules of Procedure, approving their contents and submitting them to the Board of Directors at the first meeting following its appointment.

### **9.2. Appointment of members of the Supervisory Board Supervisory Board**

The Board of Directors appoints the Supervisory Board, giving reasons for the decision concerning the choice of each member, who shall be selected exclusively on the basis of the requirements of:

- autonomy, understood as the ability to make decisions autonomously and with full exercise of technical discretion in the performance of one's duties;
- independence, understood as a condition of the absence of links, interests or forms of interference with other corporate functions or third parties, which may prejudice the objectivity of decisions and actions;
- professionalism, understood as a wealth of tools and specialised technical knowledge (legal, accounting, statistical, business and organisational), such as to enable the assigned activity to be carried out effectively;
- continuity of action in the sense of the ability to operate with an adequate level of commitment, mainly devoted to the supervision of the Model.

The Supervisory Board is composed, in accordance with the above parameters, in collegiate form of at least two members not belonging to the Company's staff.

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

The Supervisory Board can call on the services of an expert in workplace safety.

The Supervisory Board remains in office until the expiry of the Board of Directors that appointed it.

The members of the Supervisory Board may be re-elected.

### **9.3. Requirements for eligibility**

Each member of the Supervisory Board must be endowed with professionalism, honourableness, independence, functional autonomy and continuity of action, as well as the necessary competence to perform 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 under investigation or having been convicted, even with a non-definitive sentence, for having committed one of the offences provided for in Legislative Decree 231/01;
- having been convicted, even by a non-final judgment, of any non-negligent offence other than those referred to in the preceding paragraph;
- being disqualified, incapacitated, bankrupt, or having been sentenced, even at first instance, to a penalty involving disqualification, even temporary, from public office or incapacity to exercise executive offices.

The occurrence of even a single one of the aforementioned conditions entails ineligibility for the office of member of the Supervisory Board and, in the event of election, the automatic forfeiture of said office, without the need for a resolution of revocation by the Board of Directors, which will provide for the replacement.

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

- hold other positions of an operational nature within the company;
- being in an obvious or potential conflict of interest situation.

#### **9.4. Revocation, replacement, forfeiture and withdrawal**

Removal from office as a member of the Supervisory Board can only take place by resolution of the board of directors and only in the presence of just cause.

These are legitimate conditions for revocation for just cause:

- the loss of eligibility requirements;
- non-fulfilment of the obligations inherent in the assignment entrusted;
- lack of good faith and diligence in the performance of their duties;
  - failure to cooperate with the other members of the Supervisory Board;
- unjustified absence from more than two meetings of the Supervisory Board;

In the presence of just cause, the board of directors shall revoke the appointment of the member of the Supervisory Board who is no longer suitable and, after adequate justification, shall immediately replace him/her.

Incapacity or inability to perform the task before the expiry of the term provided for in Section 9.2 shall constitute grounds for forfeiture of the appointment.

Each member of the Supervisory Board may withdraw from the post at any time, subject to giving at least one month's notice in writing and stating reasons to the Board of Directors.

In the event of disqualification or withdrawal of one of the members of the Supervisory Board, the Board of Directors shall promptly replace the member who has become unsuitable, also on the recommendation of the Chairman of the Supervisory Board.

#### **9.5. Convening and conducting activities**

The Supervisory Board meets at least every four months and whenever one of its members makes a written request to the Chairman. Furthermore, during the first useful meeting, it may delegate specific functions to the Chairman, who is appointed from among its members by the Board of Directors.

#### **9.6. Powers**

In order to perform its assigned tasks, the Supervisory Board is vested with all powers of initiative and control over all company activities and staff levels, and has exclusive hierarchical dependence on the Board of Directors, to which it reports through its Chairman.



The duties and powers of the Supervisory Board and its members cannot be syndicated by any other company body or structure, it being understood that the board of directors may verify the consistency between what the Board carries out and the company's internal policies.

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

- coordinates with the personnel management with regard to aspects of personnel training relating to issues concerning the Decree;
- collaborates with the legal department on the interpretation and updating of the regulatory framework, as well as on the drafting of contractual clauses regulating the application of the Model to persons outside the Company;
- coordinates with the corporate functions carrying out activities at risk for all aspects relating to the implementation of the operational procedures for implementing the Model.

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

- a) carry out or arrange for regular inspection activities under its direct supervision and responsibility;
- b) access to all information concerning the sensitive activities of the Company;
- c) request information or the production of documents concerning sensitive activities, from all the Company's employees and, where necessary, from the directors, the board of statutory auditors and the auditing firm, the persons appointed in compliance with the provisions of the regulations on accident prevention and the protection of health and safety in the workplace;
- d) request information or the production of documents concerning sensitive activities from collaborators, consultants, agents and external representatives of the Company and, in general, from all the recipients of the Model, identified in accordance with the provisions of paragraph 8;
- e) request, if deemed appropriate in the performance of its functions, information from any Supervisory Bodies of companies belonging to the Cimbali Group;
- f) make use of the help and support of employees;
- g) make use of external consultants should problems arise that require specific expertise;

- h) propose to the body or function holding the disciplinary power the adoption of the necessary sanctions, as referred to in paragraph 11 below;
- i) periodically check the Model and, where necessary, propose any amendments and updates to the board of directors;
- j) Define, in agreement with the personnel manager, staff training programmes in the area of '231' issues;
- k) periodically, at least once a year, draw up a written report to the board of directors, with the minimum contents indicated in the following paragraph;
- l) in the event of the occurrence of serious and urgent events, detected in the course of its activities, immediately inform the board of directors;
- m) identify and periodically update, having consulted the personnel manager, the legal department and the head of the area to which the contract or relationship relates, the types of legal relationships with persons outside the Company to which it is appropriate to apply the Model, as well as determine the procedures for communicating the Model to such persons 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 organisation**

The Supervisory Board is obliged to report solely to the Board of Directors, including on relevant facts of its office or on any urgent critical aspects of the Model that have come to light in its supervisory activities, as well as on reports of offences/offences received.

It is mandatory for the Supervisory Board to submit at least once a year, a written report outlining the following specific information:

- a summary of the activities and controls carried out by the Supervisory Board during the year;
- any discrepancies between the operational procedures implementing the provisions of the Model;
- any new areas of commission of offences under the Decree;
- the verification of reports received from external or internal parties concerning possible violations of the Model and the results of verifications concerning the aforementioned reports;
- disciplinary procedures and any sanctions applied to the Company, meaning only those relating to activities at risk;
- 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 regulatory framework;
- a summary of the relevant facts, disciplinary sanctions applied and significant changes made to the Model of the member companies;
- a statement of expenses incurred.

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

### **9.8. Reporting offences 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 offences under Legislative Decree 231/2001, through the different channels made available by the Company:

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

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

Reports must describe in detail the facts and persons that are the subject of the report.

Through a special procedure, they are regulated:

- the modalities of reporting, the functioning of the channels through which reports can be made;
- the person/company department to which the reports must be sent and the manner in which reports relevant to the activity of the Supervisory Board itself must be forwarded;
- the procedures, roles and responsibilities for the handling of reports received, so as to ensure the confidentiality of the reporter's identity and compliance with the other regulatory provisions set out below.

Behaviour aimed exclusively at slowing down the activity of the recipient of the reports/the Supervisory Board is penalised.

Pursuant to Article 6(2-bis)(c) of the Decree, the Company guarantees the confidentiality of whistleblowers and safeguards whistleblowers in good faith against any form of retaliation, discrimination or penalisation for reasons directly or indirectly linked to the report, without prejudice to the right of the persons entitled to protection if the

whistleblower criminal or civil liability in connection with the falsity of the declaration and without prejudice to legal obligations. In any case, the confidentiality of the identity of the person making the report 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 of persons wrongly or in bad faith accused. A report is deemed to be made in good faith when it is made on the basis of a reasonable belief founded on facts.

Information concerning news of disciplinary proceedings and sanctions issued or measures to dismiss such proceedings with the reasons therefor must be mandatorily forwarded to the Supervisory Board.

## **10. Performances by other companies**

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

The contract between the parties must contain the following clauses:

- the obligation on the part of the lending company to certify the truthfulness and completeness of the documents produced and the information communicated to the Company;
- a commitment by the lending company to comply, during the duration of the contract, with the requirements set out 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 provided for in the contracts or mandates binding 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. System sanctions**

### **11.1. Principles general**

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

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

The duty to report is incumbent on all addressees of the Model.

After receiving the report, the Supervisory Board must immediately carry out the necessary investigations, after maintaining the confidentiality of the person against whom it is proceeding. Sanctions are adopted by the competent corporate bodies, by virtue of the powers conferred on them by the articles of association or internal regulations of the Company. After the appropriate assessments, the Supervisory Board shall inform the holder of the disciplinary power, who shall initiate the procedural process for the purpose of charges and the hypothetical application of sanctions.

By way of example, the following conduct constitutes disciplinary offences:

- violation, including through omissive conduct and in possible concurrence with others, of the principles and procedures laid down in the Model or established for its implementation;
- the drafting, possibly in conspiracy 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 relating to the procedure in order to evade the system of controls provided for in the Model;
- obstructing the supervisory activity of the Supervisory Board;
- the prevention of access to information and documentation requested by persons in charge of monitoring procedures and decisions;
- the commission of particularly serious retaliatory or discriminatory acts against anyone who has reported an unlawful conduct, relevant for the purposes of Legislative Decree No. 231/2001, or a violation of the Model, for reasons directly or indirectly linked to the report itself;
- breach of confidentiality obligations concerning the identity of whistleblowers of unlawful conduct;
- the transmission of reports that turn out to be unfounded, if done with malice or gross negligence;
- the performance of any other conduct liable to circumvent the control system provided for in 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 staff must adhere, with regard to rules of conduct and sanctions: any violation thereof,

therefore, entails the application of the disciplinary procedure and related sanctions. All employees of all ranks (blue collars, white collars, middle managers and executives) and linked to the Company by any employment contract (full time or part time) with or without a subordination bond (including those of a para-subordinate nature), are required to comply with the provisions contained in the Model.

With regard to employees with blue collar, white collar and middle management status, the disciplinary system is applied in accordance with Article 7 of Law No. 300 of 20 May 1970 (Workers' Statute) and with the applicable national collective labour agreements. If the act also constitutes a violation of duties deriving from the law or from the employment relationship, such as not to allow the continuation of the employment relationship even on a provisional basis, dismissal without notice may be decided, in accordance with Article 2119 of the Italian Civil Code, subject to compliance with the disciplinary procedure.

If the breach concerns managers, the Supervisory Board must notify the holder of the disciplinary power and the Board of Directors, in the person of the Chairman and the Managing Director, by means of a written report. The recipients of the communication shall initiate the proceedings within their competence for the purpose of the charges and the possible application of the sanctions provided for by the law and the applicable CCNL, with the possible revocation of procedures or proxies.

If the breach concerns a director of the company, the Supervisory Board must immediately inform 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 breach is such as to damage the relationship of trust with the Company, the board of directors shall convene the shareholders' meeting, proposing removal from office.

In the event of a violation by a member of the Board of Statutory Auditors, the Board of Directors, if the violations are such as to constitute just cause for revocation, shall propose to the Shareholders' Meeting the adoption of the measures within its competence and take the further steps required by law.

Relations with third parties are regulated by appropriate formal contracts that must provide for the existence of 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 entail the termination for just cause of the same relations, without prejudice to any claim for compensation if concrete damage to the Company results from such conduct.

Failure to include the clauses on compliance with the Model and the Code of Ethics must be communicated by the department 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 guarantees, by the means deemed most appropriate, its dissemination and effective knowledge to all the addressees referred to in paragraph 8.

The Supervisory Board determines how the Model is to be implemented outside the Company.

It is the Company's task to implement and formalise specific training plans, with the aim of guaranteeing the 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 addressed to employees in their generality, to employees operating in specific risk areas, to the supervisory body, to directors, etc., on the basis of the analysis of skills and training needs drawn up by the personnel management.

Staff 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 programmes are delivered in a timely manner.

The Company guarantees the preparation of means and methods that always ensure the traceability of training initiatives and the formalisation of participants' attendance, the possibility of assessing their level of learning and the evaluation of their level of enjoyment of the course, in order to develop new training initiatives and improve those currently under way, including through comments and suggestions on content, material, teachers, etc.

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

# **Part Special**



## **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 corporate context in which it operates (so-called *control and risk self-assessment*), has identified the *sensitive* activities (subdivided by type of offence and listed in the following paragraphs), within which offences may potentially be committed among those provided for by the Decree.

In order to prevent or mitigate the risk of these offences being committed, 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 behaviour**

All the recipients of the Model, as identified in paragraph 8 of the General Section, adopt rules of conduct that comply 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 the offences provided for in the Decree.

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

For the purposes of adopting and implementing the Organisation, Management and Control Model, the Company also undertakes to implement the specific protocols indicated below.

## **3. General protocols of prevention**

In the context of all the operations concerning 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 prescriptions contained in the provisions of the law, the articles of association and the Company's Code of Ethics;
- management, coordination and control responsibilities within the Company are formalised;
- hierarchical dependency levels are formalised and the different tasks within the company are described;

- the formation phases and authorisation levels of the Company's acts are always documented and reconstructible;
- the system of proxies and powers of signature towards the outside is consistent with the responsibilities assigned to each director, and the knowledge of these powers by external parties is ensured by appropriate communication and publicity tools;
- the allocation and exercise of powers within a decision-making process is congruent with the positions of responsibility and the relevance and/or criticality of the underlying economic transactions;
- there is no subjective identity between those who take or implement decisions, those who must give an accounting record of those decisions, and those who are required to carry out the controls provided for by law and by the procedures laid down in 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, who corresponds, unless otherwise specified, to the head of the function responsible for managing the risk operation in question. The internal manager:
  - √ may request information and clarifications from all corporate functions, business units or individuals who are or have been involved in the risky transaction;
  - √ promptly informs the Supervisory Board of any critical issues or conflicts of interest;
  - √ may call upon the Supervisory Board in all cases of ineffectiveness, inadequacy or difficulty in the implementation of the prevention protocols or of the operational procedures for their implementation or in order to obtain clarifications concerning the objectives and prevention methods laid down 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 competent function. Access to archived documents is permitted only to authorised persons according to the company's operational procedures, as well as to the Board of Statutory Auditors, the auditing firm 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 set by the company;

- reward systems for employees and collaborators 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 persons;
- all forms of donations aimed at promoting goods, services or the Company's image must be authorised, justified and documented;
- the Supervisory Board verifies that the company operating procedures governing the activities at risk, and which form an integral part of the company organisational Model, fully implement the principles and prescriptions contained in this Special Section, and that they are constantly updated, also upon proposal 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 a *public service* are considered 'Public Administration'.

By public function we mean activities governed by public law that relate to legislative functions (State, Regions, Provinces with a special statute, etc.), administrative functions (members of State and territorial administrations, the Police, members of supranational administrations, members of Authorities, Chambers of Commerce, members of Building Commissions, testers of public works, experts of the Italian Naval Register, etc.), judicial functions (judges, bailiffs, auxiliary bodies of the Administration of Justice such as receivers or liquidators in bankruptcy, etc.).

The civil service is characterised 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 party 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 contest violations of the law (ascertainment of contraventions, etc.), and the powers of hierarchical supremacy within public offices;
- *Certifying* power is that which grants the certifier the power to certify a fact as evidence up to the point of perjury.

Public service means:

- activities 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.

Persons 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 *persons in charge of a public service*.

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 Building Commissions, judges, bailiffs, auxiliary bodies of the Administration of Justice (e.g. bankruptcy administrators).

The person in charge of a public service, on the other hand, performs activities relating to the care of public interests or the satisfaction of general interest needs subject to the supervision of a public authority. Criminal jurisprudence has clarified that the bureaucratic classification of the person in the structure of a public body does not constitute a criterion for recognising the status of person in charge of a public service, since what matters is the activity actually performed by the person. Therefore, even a private individual or the employee of a private company may be qualified as a public service appointee when he performs 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 SSN, employees of the cash office of a public body, employees of hospital bodies, the ASL, INAL, INPS, employees of municipal energy companies, banks, post offices, customs offices, members of municipal councils, employees of the State Railways and the Motorway Company are considered to be public service employees.

#### **A1.Sensitive activities within the scope of offences against the Public Administration**

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

- Management of inspections by the PA or public service or certifying bodies.
- Management of tax and fiscal aspects with the financial administration, also through external professionals.
- Management of relations with the Judicial Authority, also through external professionals.
- Managing obligations with the PA for authorisations, concessions, licences, waste disposal, etc.
- Management of regulatory, administrative and corporate compliance (e.g. power of attorney filing, privacy).
- Collaboration with universities on research projects, scholarships, etc.
- Application, management, monitoring of subsidised loans, grants, tax exemptions, social security, employment subsidies, training. etc.

- Registration of trade marks and patents.
- Sales and service of coffee machines to the public administration.
- Management of financial resources.
- Management of consultancy (administrative, fiscal, etc.).
- Management of expense reports.
- Management of the personnel selection process.
- Management of company assets and utilities (e.g. cars, mobile phones, personal computers, company credit cards, etc.).
- Management of marketing activities (e.g. promotions, sponsoring, advertising, etc.).

## **A2. Specific Protocols of prevention**

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

- Judicial, tax or administrative inspections are attended by the persons indicated in the respective procedure;
- the person in charge of the audit informs the Supervisory Board of the start and end of the proceedings, as well as of any critical issues that emerge during the proceedings, and transmits a copy of the reports drawn up by the inspection authorities.

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

- a manager is always identified, consistent with the subject matter, with the necessary powers to represent the company or to coordinate the action of any external professionals;
- the person identified informs the Supervisory Board of the commencement of judicial or tax proceedings, of the results of the various stages of the proceedings, of the conclusion of the proceedings, and of any critical issues that may be encountered in the *process*.

For operations concerning the **management of fulfilments with the PA for authorisations, concessions, licences, waste disposal, etc.; the management of regulatory, administrative and corporate fulfilments; collaboration with universities for research projects, scholarships**

**study, sale and service of coffee machines to the PA; registration of trademarks and patents**, protocols provide:

- all acts, requests, formal communications and contracts that have the PA as a counterpart must be handled and signed only by those with the appropriate powers according to internal rules;
- the internal responsible for the implementation of the operation identifies the most appropriate tools to ensure that the relations maintained by his function with the PA are always transparent, documented and verifiable;
- the internal person responsible for the implementation of the operation authorises in advance the use of data and information concerning the Company and intended for acts, communications, attestations and requests of any kind forwarded or addressed to the PA;
- the internal person responsible for the implementation of the operation verifies that the documents, declarations and information transmitted by the Company to obtain authorisations or concessions are complete and truthful.

For operations concerning **the application, management, monitoring of subsidised loans, grants, tax exemptions, social security, employment subsidies, training, etc.**, the protocols stipulate that

- the internal person responsible for the implementation of the operation verifies that the declarations and documents submitted in order to obtain the loan or grant are complete and represent the true economic and financial situation of the Company;
- financial resources obtained as a contribution, grant or public funding are exclusively intended for the initiatives and the 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 certify that they are consistent with the purposes for which the financing 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 competences and organisational responsibilities. The exceeding of the quantitative expenditure limits assigned may occur only and exclusively for proven reasons of urgency and in exceptional cases: in such cases, the exceptional event is to be remedied through the issuance of the necessary authorisations;

- Transactions involving the use or deployment of economic or financial resources have an express purpose 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 by express authorisation by the administrative management and in any case for amounts not exceeding sums handled through the petty cash;
- the Company only uses financial and banking intermediaries that are subject to transparency and fairness regulations in accordance with European Union rules;
- quantitative limits are established in advance on the payment of cash advances and reimbursement of expenses incurred by Company personnel, depending on the nature of the service rendered. Reimbursement of expenses incurred must be requested by filling in specific forms and only upon production of suitable supporting documentation of the expenses incurred.

For operations concerning **the management of consultancies**:

- external consultants are chosen on the basis of the requirements of professionalism, independence and competence;
- the selection of external consultants is always justified by the competent corporate function;
- consultants are appointed in compliance with the procedures, authorisations and internal controls adopted by the Company;
- appointments of external consultants shall be made in writing, stating the agreed remuneration and the content of the service;
- Contracts regulating relations with consultants must contain specific clauses recalling the fulfilments and responsibilities deriving from the Decree and from 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 that are not congruous with respect to the services rendered to the Company or that do not conform to the assignment conferred, to the conditions or practices existing on the market or to the professional rates in force for the category concerned;



- Contracts regulating relations with such parties must contain specific clauses indicating clear responsibilities for non-compliance with any contractual obligations arising from acceptance of the Code of Ethics and the Model.

For **expense claims management** operations:

- the person responsible for authorising ex ante or ex post (depending on the type of travel, missions or trips outside the usual places of work), expense claims to applicants is identified according to the hierarchical levels within the company;
- expense reports are managed in the manner communicated to all personnel, in terms of compliance with the limits set by company policy, the purposes of the expenses incurred, the forms, the levels of authorisation required and the settlement of reimbursement amounts.

For **personnel selection and recruitment** operations:

- functions that request the selection and recruitment of personnel, formalise the request by filling in specific forms and within an annual budget;
- the request is authorised by the competent manager according to internal procedures;
- requests for recruitment outside the limits indicated in the budget are justified and duly authorised in accordance with internal procedures;
- Candidate evaluations are formalised in appropriate documentation, the archiving of which is ensured by the personnel manager;
- any direct or indirect relations between the candidate and the public administration are ascertained and assessed in advance;
- the requirements set out in Article 25 - duodecies of the Decree are also assessed for the recruitment of any third-country nationals requiring a residence permit, with particular regard to the regularity of the residence permit, of any request for renewal and of its regular issue.

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

- the allocation of the instrumental good is justified, by reason of the role and task of the beneficiary staff and by formal request of the person concerned;
- the request must be duly authorised by the personnel management;

- there are cases of revocation of the assigned assets in the event of violation of company procedures or regulations during their use;
- in the case of the assignment of computerised corporate assets (by way of example, but not limited to smartphones, tablets, PCs), there are cases of revocation of the asset assigned for an ascertained violation of corporate procedures concerning the use of computer programmes and their dissemination, for the specific purpose of preventing computer crimes under Article 24-bis of the Decree, and offences relating to the violation of copyright 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 donations must be not only aimed at lawful and ethical activities, but also authorised, justified and documented.

## **B. Offences corporate**

### **B1.Sensitive activities in the context of corporate offences**

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, in the context of which, potentially, corporate offences under Article 25-ter of the Decree could be committed.

- Valuations and estimates of subjective items in financial statements; recognition, recording and representation of business activities in accounting records, reports, financial statements and other business documents; updating the chart of accounts, preparation of financial statements, also in relation to the new offence of bribery between private individuals.
- Management of extraordinary operations.
- Managing relations with shareholders, the board of auditors and the auditing company.
- Information systems management.
- Management of financial resources in relation to the new offence of corruption between private individuals.
- Operations concerning the management of consultancies in relation to the new offence of corruption between private individuals.
- Operations concerning the management of expense reports and related reimbursements in relation to the new offence of corruption between private individuals.
- Operations concerning the selection and recruitment of personnel in relation to the new offence of corruption between private individuals.
- Procurement management in relation to the new offence of corruption between private individuals.
- Procurement and investment management in relation to the new offence of corruption between private individuals.

### **B2.Specific protocols of prevention**

For transactions concerning **the valuation and estimation of subjective balance sheet items; the recognition, recording and representation of business activities in accounting records, reports, financial statements and other business documents; the updating of the chart of accounts; and the preparation of financial statements, the protocols provide for:**

- the adoption of an accounting manual or, alternatively, of accounting procedures, which are constantly updated and clearly indicate the data and information to be provided by each function or organisational unit, the accounting criteria for processing the data and the timeframe for the

their transmission to the responsible functions, as well as the criteria and procedures for consolidating the financial statement data of the 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 certifying, where possible, the completeness and truthfulness of the information, or indicating the persons who can provide such certification;
- where it is useful for the understanding of the information, the persons responsible for it shall indicate the original documents or sources from which the information transmitted is taken and processed, and, where possible, attach copies thereof;
- the collection, transmission and aggregation of accounting information for the purpose of preparing corporate communications takes place exclusively through methods that can guarantee the traceability of the individual steps in the data formation process and the identification of the persons who enter the data into the system; the access profiles to this system are identified by the Information Systems Department, which guarantees the separation of functions and consistency of authorisation levels;
- Any changes to budget items or to the criteria for their accounting shall be authorised by the Director General;
- the request by any person for unjustified variations in the criteria for recognition, recording and accounting representation or for quantitative variations in the data with respect to those already recorded in accordance with the Company's operating procedures, must be the subject of immediate communication to the Supervisory Board;
- drafts of the financial statements and other accounting documents are made available to the directors reasonably in advance of the meeting of the board of directors 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 Section 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 the share capital or equity, the protocols provide 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 the competent function on the basis of company procedures, prepares appropriate documentation in support of the proposed transaction, as well as a preliminary information report illustrating the content, underlying interest and strategic purpose of the transaction;
- where required, the auditing firm and the board of auditors express a reasoned opinion on the transaction;
- For the purposes of recording the transaction in the accounts, the Administration, Finance and Legal Department first checks the completeness, relevance and correctness of the documentation supporting the transaction.

For transactions concerning **the management of relations with shareholders, the board of auditors and the auditing firm**, the protocols provide that

- the head of the general management and the head of the administration, finance and legal department are identified as being responsible for collecting and processing the information requested and forwarded to the board of auditors and the auditing firm, after checking that it is complete, relevant and correct;
- requests and transmissions of data and information, as well as any findings, communications or assessments made by the board of auditors and the auditing firm, are documented and retained by the two parties referred to in the previous point;
- 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;
- the criteria for selecting, evaluating and appointing the auditing firm are formalised;
- the auditing firm, the board of auditors and the shareholders are guaranteed free access to the company's accounts and anything else required for the proper performance of their duties.

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

For the management of financial resources, consultancy, expense note management, personnel selection and recruitment, in relation to the new offence of bribery between private individuals, procurement management, contract management and investment management, reference is made to what is described in the section on offences against the Public Administration, with the integration of what is provided for in the following section on the offence of bribery between private individuals.

**C) Offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin - Self money laundering**

**C1.Sensitive activities in connection with the offences of receiving, laundering and using money, goods or benefits of unlawful origin**

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

- Selection of suppliers, including business partners for the implementation of payment and e-commerce systems, and purchase of raw materials, semi-finished goods, other goods or utilities.
- Customer selection and sales of finished products, goods and services.
- Management of receipts and payments.

**C2.Specific protocols of prevention**

For operations concerning the **selection of suppliers, including business partners for the implementation of payment and e-commerce systems, and the purchase of raw materials, semi-finished goods, other goods or utilities; the selection of customers; and the sale of finished products, goods and services**, the protocols provide that

- with regard to the selection of suppliers, including business partners for the implementation of payment and e-commerce systems:
  - several corporate figures are involved in the critical phases of the sensitive activity (Applicant Function; Director of Administration, Finance and Control; Head of Treasury and Accounts Payable; Director of Purchasing & *Supply Chain*; Legal Department);
  - the documentation produced at critical stages of the process (e.g. e-mails, Chamber of Commerce searches, Purchase Orders, evaluation sheets, etc.) is preserved and archived;
- when a new supplier is added to the registry, a check is carried out on the registered office or residence of the supplier and/or the credit institutions used in commercial transactions. In addition, extractions of the relevant balance sheets are carried out;
- Periodic checks on the reliability and existence of foreign suppliers are also carried out, as well as VAT verification;
- anomaly indicators are identified to detect any 'risky' or 'suspicious' transactions with suppliers and customers based on the

- √ subjective profile of the counterparty (e.g. existence of a criminal record; questionable reputation; admissions or statements by the counterparty regarding its involvement in criminal activities);
  - √ behaviour of the counterparty (e.g. ambiguous behaviour, lack of data needed to carry out transactions or reluctance to provide such data);
  - √ territorial location of the counterparty (e.g. transactions carried out in off-shore countries);
  - √ profile of the transaction (e.g. unusual transactions in terms of type, frequency, timing, amount, geographical location);
  - √ characteristics and purpose of the transaction (e.g. use of loan sharks, changes in standard contractual conditions, purpose of the transaction);
- the choice of suppliers and customers is made on the basis of requirements predetermined by the Company and reviewed by it and, where appropriate, updated on a regular basis; the Company also formalises the criteria on the basis of which customers and suppliers can be removed from the customer/supplier lists, and the choices as to their retention or removal from the lists kept by the Company cannot be determined by a single person and must always be justified;
  - business *partners* are chosen after carrying out appropriate checks on their reputation and reliability on the market, and after sharing the fundamental ethical principles that guide the Company;
  - The selection of business *partners for the* implementation of payment and *e-commerce* systems is based on reputational rank/level and involves anti-money laundering checks;
  - contracts regulating relations with suppliers and customers must include specific clauses indicating clear responsibilities with regard to non-compliance with the Model and the Code of Ethics. Where deemed appropriate, the contract regulating 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;
  - the relationship with business *partners for the* implementation of selected payment and *e-commerce* systems is formalised within a contractual agreement;
  - audits/checks/reconciliations are foreseen between the flow of receipts from *e-commerce* sales and the related 'commissions' paid to the external *provider*;
  - there is a separation between the person who issues the purchase order, the person who verifies the actual receipt of the goods and the person who pays the invoice;



- any change in price and/or contract conditions is authorised in advance by the Purchasing & Supply Chain Manager.

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

- specific limits by type of transaction, frequency, and amount are in place 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 pre-established value thresholds;
- Only the channels of banks and other accredited financial intermediaries subject to EU regulation or credit/financial institutions located in a non-EU state that imposes obligations equivalent to money laundering laws and provides for the monitoring of compliance with such obligations must be used for the management of incoming and outgoing flows;
- cash inflows and outflows are prohibited, except for minimum types of expenditure expressly authorised by the administration, finance and legal department and in particular for petty cash transactions;
- Transactions involving the use or deployment of economic or financial resources have an express purpose 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 offence of self money laundering, it is considered necessary to observe the procedures concerning the preparation of financial statements, the movement of financial resources in all the Company's activities, and the choice of suppliers and consultants.

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

**D) CRIME OF CORRUPTION BETWEEN PRIVATE PARTIES EX 2635 of the Civil Code and ff.**

**D.1 Potential areas of activity at risk**

The risk of the offence of bribery among private individuals, contemplated in this special section, 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;
- Relations with banks/financial institutions/creditors;
- Relationships with professionals in charge of drawing up and processing company accounts (including accountants, auditors, auditors);
- Each area responsible for preparing corporate accounting documents.
- Procurement;
- Consultancy management;
- Use of financial resources;
- Procurement and investment management.

**D.2 Possible unlawful conduct**

With reference to relations with customers, within the active cycle, the offence of bribery among private individuals could be committed by a member of the Board of Directors (senior management) and/or by the heads of the department concerned (subordinates), as well as by persons subject to the direction or supervision of such persons (subordinates).

In particular, in the context of the active cycle, the offence of bribery between private individuals may materialise:

- In the sale of goods to other parties, with the aim of obtaining the conclusion of the contract from the customer;
- 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 offence of bribery between private individuals could be committed against the company's suppliers in order to obtain goods/services on better terms and/or at more favourable prices.

In the context of personnel selection, bribery could be committed by the company hiring persons with knowledge of trade secrets of competing companies in order to obtain the disclosure of secrets, or by hiring persons who offer the recruiter a sum of money in exchange for employment. In the context of relations with banks, financial institutions and creditors, the offence could be committed, on the one hand, in relations with banks through the bribery of officials in order to obtain financial benefits and, on the other hand, in relations with financial institutions, through the bribery of an employee in order to prevent the company from being reported to the U.I.F.

The offence of bribery between private individuals could also be relevant in relations 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 relations with professionals entrusted with the preparation and drafting of the company's financial statements (including accountants, auditors, statutory auditors), as well as with any other person entrusted with the preparation of the company's accounting documents, the offence 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 CONDUCT

All the 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 corporate procedures adopted by the Company in relation to operations in the areas at risk of offences identified above, in order to prevent the commission of the offence of bribery between private individuals.

In particular, the addressees must know and respect:

- the documentation concerning the hierarchical-functional and organisational structure of the Company;
- the organisational provisions issued by the Company in order to establish a consistent and uniform company policy;
- the Company's internal procedures relating to areas at risk of offences

In general, for all operations involving the sensitive activities referred to in the areas at risk of offences identified above, it is absolutely forbidden to

- engage in conduct constituting the commission of the offence of bribery between private individuals;
- engage in any conduct which, while not actually constituting the offence of bribery between private individuals, may in the abstract become one;
- initiate or facilitate transactions in conflict of interest - actual or potential - with private parties, as well as activities that may interfere with the ability to take impartial decisions in the best interests of the Company and in full compliance with the rules of the Code of Ethics;
- unduly giving or promising money to a private individual;
- 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 favour of private individuals as well as for the benefit of other individuals or legal entities referable to the latter's sphere of interest;
- perform services in favour of suppliers and/or customers that are not adequately justified in the context of the relationship established with them, outside the provisions of the Code of Ethics and company procedures;
- recognise fees in favour of consultants and external collaborators that are not adequately justified in relation to the type of task 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 corporate procedures;
- submit untrue, incorrect, false or incomplete declarations and/or documents and/or data and/or information to private individuals.

In addition, for the purposes of implementing the aforementioned conduct, the Company adopts appropriate corporate procedures providing, inter alia, for 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 areas at risk of offences identified above, relations with private individuals are managed in a unified manner, by appointing one or more Internal Managers for each action or plurality of operations carried out;
- management, coordination and control responsibilities within the Company are formalised;
- levels of hierarchical dependency are formalised and the tasks of each one must be described;
- Appointments given to consultants, suppliers and external collaborators are (i) drawn up in writing, indicating the agreed remuneration, (ii) signed in accordance with the delegations received, (iii) contain standard clauses to ensure compliance with the provisions of the Model and the Decree;

- no payment may be made in kind and, in the event of payment in cash, the relevant expenditure shall be authorised in advance and shall be made in accordance with the regulations in force concerning cash payments;
- those who perform a control and supervisory function with regard to the fulfilments connected with the performance of the aforementioned activities shall pay attention to the implementation of such fulfilments and immediately report any irregularities to the Supervisory Board;
- documents concerning the formation of decisions and their implementation must be filed and kept by the competent corporate function. Access to archived documents is only allowed to authorised persons according to the company's operating procedures, and in any case to the Board of Auditors, the auditing company and the Supervisory Board;
- the formation phases and authorisation levels of the Company's acts are always documented and reconstructible;
- the system of proxies and powers of signature towards the outside is consistent with the responsibilities assigned to each proxy; the knowledge of the system of proxies and powers of signature by external parties is ensured by adequate communication and publicity tools;
- the allocation and exercise of powers within a decision-making process is congruent with the positions of responsibility and the relevance and/or criticality of the underlying economic transactions;
- there is no subjective identity between those who make or implement decisions, those who must give an accounting record and those who are required to carry out the controls provided for by law and by the procedures laid down in the internal control system;
- the remuneration systems rewarding employees and collaborators do not meet clearly unattainable objectives and are consistent with the tasks and activities performed and the responsibilities entrusted;
- the processing of the Company's data must comply with the provisions of Legislative Decree No. 196 of 2003 and subsequent amendments and additions;
- all forms of donations aimed at promoting goods, services or the Company's image are authorised, justified and documented;
- nell'ambito delle Attività Sensibili, la Società prevede le seguenti attività, in caso di rapporti intrattenuti dalla Società con privati: (i) la preventiva redazione, da parte della persona fisica che intrattiene il rapporto, di una agenda dell'incontro (indicante a titolo esemplificativo luogo, partecipanti, ecc.); (ii) la formalizzazione di un memorandum interno al termine dell'incontro, contenente, tra le altre cose, i principali temi affrontati, le eventuali decisioni maturate, ecc. In addition, the Company adopts a specific procedure governing activities relating to participation in tenders and other forms of competitive confrontation between private parties, which provides for, inter alia: (i) the subjects/functions involved; (ii) the management procedures; (iii) roles and responsibilities;
- (iv) supporting documentation; (v) authorisation procedures.

#### 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 relating to the Areas at risk in 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 commission of the offence of bribery among private individuals in the performance of operations relating to such activities.

- Procurement management

The operating procedure is characterised by special attention in the protocols for searching for and selecting suppliers (also in the area of security supplies, which by nature are free from authorisation profiles), with regard also to so-called anomalous conduct at risk of the offence of bribery between private individuals.

The involvement of several different functions in the phase of enquiry, identification and choice of supplier is ensured, in order to avoid risky situations due to unilateral contacts between competent functions and suppliers.

- Consultancy management

The procedure provides for specific protocols for the identification and selection of the consultant, while at the same time guaranteeing the multiplicity of functions involved that interact with each other at each stage (identification, selection and management of the consultancy activity).

- Personnel selection management

Only the new offence to be guarded against was included in the procedure.

Personnel application, identification and selection procedures are entrusted to different functions, which then interact in the final selection phase, ensuring that contact between the aspiring worker and the Company does not take place with single, isolated figures, with the risk of corruption in order to obtain employment.

- Managing reimbursement of mission expenses

The procedure envisages a number of functions involved in the three reference phases, i.e. mission request, control of the supporting documents of mission expenses and expense settlement. The procedure is supplemented by the one relating to the management of financial resources, in order to ensure that the economic disbursement made by the Company in response to a request for reimbursement of expenses takes place in compliance with the principles of traceability and documentary verification of the operation.

- Budgetary training management.

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

- Financial Resources Management

In the procedure, for the different forms of payment indicated and admitted by the system, the relevant supporting documentation is guaranteed.

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

This principle applies to all functions authorised to use the Company's financial resources.

- Procurement management

The procedure was supplemented by including a specific reference to the procurement management procedure, so as to ensure that the choice of contractor is made on the basis of documentable and verifiable contractor identification/quality criteria.

The various functions concerned may therefore choose the contractor provided that he or she has certain requirements, as set out in the procurement management procedure.

This modality tends to avoid the possibility that there may be choices of contractors, perhaps not in line with the requirements of the Company's suppliers, dictated by economic advantages for the function chosen by the Company (bribery between private individuals).

- Investment Management

The procedure ensures that the steps of requesting and identifying the investment to be made, defining the relevant budget and arranging it, are carried out by different corporate functions, each independent in its own activity.

The investment decision, therefore, is the result of activities attributed to different functions, avoiding centralisation in single functions susceptible to corruption offences.

## E) Offences computer

### E.1 Sensitive activities in the context of computer crimes

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

- Managing access, accounts and profiles.

### E.2 Specific protocols of prevention

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

- guidelines are defined for the use of the company's IT assets;
- access to computer systems is guaranteed exclusively through the unambiguous authentication of users by means of user-id and password whose creation rules are defined (e.g. minimum password length, complexity rules, expiry date, etc.);
- a formal system is defined for authorising and recording the allocation, modification and deletion of accounts and related access profiles to systems and applications;
- an applications/profiles/users matrix aligned with existing organisational roles is prepared and checked periodically;
- formal procedures are defined for the allocation of remote access to company systems by third parties such as agents, consultants and suppliers.
- procedures for the assignment and use of special privileges (system administrator, super user, etc.) are formalised;
- procedures are formalised for requesting, accessing (by means of identification codes or smart cards, or otherwise) and using the information systems of public bodies 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 the credentials for their use.

**F. Manslaughter and grievous and very grievous bodily harm committed in breach of the rules on accident prevention and health and safety at work**

**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 serious or very serious personal injury and who has committed such offences by violating the rules on accident prevention and the protection of hygiene and health at work.

The term 'injury' refers to all pathological effects constituting illness, i.e. 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, led to a convalescence period of more than forty days, or resulted in the permanent impairment of the functional potential of a sense, such as hearing, or an organ, such as the dental apparatus.

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 it be serious or very serious injury or death, may be perpetrated through active conduct (the agent engages in conduct whereby he injures the integrity of another person), or through omissive conduct (the agent simply does not intervene to prevent the harmful event). As a rule, active conduct will be recognised in the subordinate worker who directly performs operational tasks and materially harms others, while omissive conduct will usually be recognised in the senior personnel who fails to comply with supervisory and control obligations and thus does not intervene to prevent the event caused by others.

From a subjective point of view, homicide or injuries relevant for the purposes of the administrative liability of entities must be committed through negligence: this subjective imputation profile may be generic (violation of rules of conduct crystallised in the social fabric on the basis of norms of experience based on the parameters of diligence, prudence and expertise) or specific (violation of rules of conduct originally originating from practical experience or practice and subsequently affirmed in laws, regulations, orders or disciplines).

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

With regard to the attitude of omission, it is specified that a person is only liable for his or her own culpable omissive conduct, damaging the life or physical safety of a person, if he or she is in the



towards the victim a position of guarantee, which may originate from a contract or from the unilateral will of the agent. The rules identify the employer<sup>1</sup> as the guarantor 'of the physical integrity and moral personality of the employees' and his position of guarantee is in any case transferable to other persons, provided that the relative 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 hold the office must also be a person capable and competent for the subject matter of the transfer of responsibility.

On the basis of 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. it must result from the violation of rules on accident prevention and on the protection of hygiene and health at work. For the purposes of implementing the Model, it is however necessary to consider that:

- compliance with the minimum safety standards laid down in the sector-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 minimise (and, if possible, eliminate) any risk of injury and illness, also on the basis of the best known technique and science, according to the particularities of the work (aspect of general fault);
- for the purposes of the Model, the conduct of the injured worker which 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 which, if adopted, would have neutralised the risk underlying such conduct. The obligation of prevention is excluded only in the presence of conduct of the worker that has the character of exceptionality, abnormality, exorbitance with respect to the work procedure, the organisational directives received and common prudence.

From the point of view of protected persons, the accident prevention regulations do not only protect employees, but all persons who legitimately enter the premises used for the performance of work.

As far as the active parties are concerned, the types of offences referred to herein may be committed by those who, by reason of their duties, have sensitive activities in this area. For instance:

- the worker who, through his actions and/or omissions, may endanger his own and others' health and safety;
- the manager and the person in charge, who may be responsible, among others, for coordinating and supervising activities, training and information;

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<sup>1</sup> the party that holds the employment relationship with the worker or, in any case, the party that, according to the type and structure of the organisation within which the worker works

his activity, he is responsible for the organisation itself or the production unit as he exercises decision-making and spending powers (Art. 2(1) Legislative Decree 81/08).

- the employer as the main actor in prevention and protection.

## **F2. Sensitive activities within the scope of the offences of manslaughter and grievous or very grievous bodily harm committed in breach of the rules on accident prevention and protection of hygiene and health at work**

The sensitive activities within the scope of which, potentially, the offences of manslaughter and grievous or very grievous bodily harm with concomitant violation of the rules on accident prevention and on the protection of hygiene and health at work provided for in Article 25-septies of the Decree could be committed have been classified in

- activities at risk of occupational injury and illness;
- activities at risk of offences.

The dichotomous classification originates from the fact that the former are the activities within which accidents can occur, while the latter are those within which the offence can be committed by members of the organisation for culpable 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 accidents or occupational illnesses may occur are deduced from the Risk Assessment Document (hereinafter 'DVR'), where, through careful investigations involving both structural and organisational aspects, the Company has identified the risks to workers' health and safety. The document also contains the protective measures for their elimination or containment.

For each of the risk categories in the DVR, all hazards that are actually applicable are located, appropriately coded.

The Risk Assessment Document is constantly updated, in relation to new and possible prevention requirements, according to the procedures laid down in the Model.

### **F2.2 Activities at risk of offence**

The activities, the omission or ineffective implementation of which could give rise to 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 legislation on health, hygiene and accidents in the workplace, also through the use of consultants external to the Company who are experts in these issues; management of the activities of updating the control measures 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 legislation on health, hygiene and accidents in the workplace and at temporary or mobile construction sites).
- *Appointments and definition of responsibilities* (entrusting 'sensitive' responsibilities in the field of safety and hygiene at work without prior verification of requirements).
- *Health surveillance* (Management of activities aimed at ensuring that the health surveillance provided for each work category is carried out).
- *Training* (Management of activities aimed at providing an adequate, in terms of time and topics covered, programme of education, information and training for all employees and in particular for those who perform activities that are more at risk, e.g. maintenance work; management of activities aimed at providing an adequate level of knowledge to the RSSP and the persons in charge, as well as to any other figures, e.g. the works supervisor, the coordinator in the design phase and coordinator in the executive phase, when they coincide with figures within the Company, on issues governed by the reference legislation on health, hygiene and accidents in the workplace and at any temporary or mobile construction sites).
- *Entrusting of works to external subjects* (Management of coordination activities between all subjects 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 during the executive phase pursuant to 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 verification activities that, in the preparation, evaluation and awarding of tenders, the safety charges are congruous with respect to the complexity of the works and are not susceptible to bidding discounts; management of the verification activities on the charges incurred to make the risk assessment document and the safety plans operational, so that they are able to ensure the highest level of safety in the workplace and at any temporary or mobile construction sites).
- *Purchasing* (management of suppliers; purchasing of products, equipment, machinery and plant with the necessary requirements in terms of the law and applicable regulations).

- Maintenance (Management of maintenance activities of workplaces, equipment, vehicles, machinery and installations 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 provisions of current legislation).
- Emergencies (Emergency Management).
- *Work procedures and instructions* (Management of the preparation and implementation of company procedures and related control measures in accordance with current legislation on health, hygiene and accidents in the workplace, as well as constant updating of the same procedures when the aforementioned legislation changes; application of work procedures and operating instructions).
- *Collective and individual protection* (Management of the distribution, to all workers according to their assigned tasks, of individual protection devices and equipment suitable for safeguarding their health and safety and constant verification of their correct use and functionality).
- *Staff communication and involvement* (Non-conformity management; corrective and preventive actions).

The list of sensitive activities is periodically updated, in relation to new and possible prevention requirements, according to the procedures laid down in the Model.

### **F3. General principles of behaviour**

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

The Model is not intended to replace the legal prerogatives and responsibilities governed by the subjects identified by Legislative Decree 81/08 and by the regulations further applicable in the cases in question. On the contrary, it constitutes a further control and verification of the existence, effectiveness and adequacy of the structure and organisation put in place in compliance with the special regulations in force on accident prevention and the protection of health and safety in the workplace.

One of the prerequisites of the Model for the purpose of preventing accidents in the workplace is the observance of certain principles and the adoption of certain behaviours by the Company's workers, as well as by any external parties that are lawfully on the Company's premises. In particular, each worker, each subject and, more generally, each recipient of the Model who is lawfully at the Company shall:

- in accordance with their training and experience, and with the instructions and means provided or arranged for by the employer, not to behave imprudently with regard to the protection of their own health and safety;
- comply with internal company regulations and procedures for the purpose of collective and individual protection, exercising in particular all appropriate controls and activities to safeguard the health and safety of external collaborators and/or outsiders who may be present in the workplace;
- correctly use machinery, equipment, tools, dangerous substances and preparations, means of transport and other work equipment, and safety devices;
- make appropriate use of the protective equipment provided;
- Immediately report to the appropriate levels (according to the responsibilities assigned) any malfunctions of the means and devices referred to in the above points, as well as any other hazardous conditions of which they become aware;
- take direct action, in the face of a perceived danger and only in cases of urgency, within the limits of their competences and possibilities;
- undergo the required health checks;
- undergo the planned training measures;
- contribute to the fulfilment of all obligations imposed by the competent authority or otherwise necessary to protect the safety and health of workers at work.

For these purposes, it is prohibited to:

- remove or modify safety or signalling or control devices without authorisation;
- carry out on their own initiative operations or manoeuvres which are not within their competence or which may endanger their own safety or that of other workers;

#### **F4. General protocols of prevention**

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

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

With regard to the prevention measures for activities at risk of offences, as identified above, i.e. those behaviours that could integrate the Company's fault in relation to accidents at work, the Organisation, Management and Control Model is adopted and implemented in order to ensure the fulfilment of all relevant legal obligations:

- compliance with legal technical and structural standards relating to equipment, facilities, workplaces, chemical, physical and biological agents;
- risk assessment activities and the preparation of the resulting prevention and protection measures;
- activities of an organisational nature, such as emergencies, first aid, contract management, regular safety meetings, consultation of workers' safety representatives;
- health surveillance activities;
- information and training activities for workers;
- supervisory activities with regard to workers' compliance with safe working procedures and instructions;
- the acquisition of documents and certifications required by law;
- periodic checks on the application and effectiveness of the procedures adopted;
- where applicable, the necessary notifications to the competent authorities.

It should be noted that, for the purposes of maintaining the Organisation, 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 important 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 machinery). The management of documentation of internal and external origin and of records, which constitute special documentation, is such as to ensure their traceability, preservation and updating.

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

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

For the purposes of adopting and implementing the Organisation, Management and Control Model, the Company also undertakes to implement the specific protocols indicated below.

## **F5. Specific Protocols of prevention**

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

Conformity to the OHSAS 18001 management standard, in those parts where it can be applied, constitutes a presumption of conformity to the requirements of the standard, and through its application the aim is to bring production processes under control, to check that one's own activities are, from the point of view of health and safety protection, in conformity with the provisions of local, national and European laws, standards and regulations, and to organise the entire health and safety management structure.

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

## **Risk assessment**

Since risk assessment is the pivotal fulfilment for guaranteeing workers' health and safety, and since it constitutes the main tool for identifying protective measures, be they risk reduction or elimination, risk identification and detection must be carried out correctly and in compliance with the principle of truthfulness, completeness and accuracy. The mandatory legislation attributes this competence to the employer, who is supported by other subjects such as the person in charge of the prevention and protection service and the competent doctor, and after consulting the workers' safety representative.

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

The data and information are collected and processed in a timely manner, under the supervision of the employer, also through subjects identified by the employer in possession of suitable requirements, certifiable in the cases provided for, of technical and, where appropriate, instrumental competence.

On request, any documents and sources from which the information is taken must also be transmitted together with the data and information.

The drawing up 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 criteria defined in advance, which constitute the integration of this documentation; the risk assessment criteria include, among others, the following aspects

- routine and non-routine activities;
- activities of all persons having access to the workplace (including outsiders);
- human behaviour;
- dangers from outside;
- hazards related to the work 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 obligations regarding risk assessment and implementation of the necessary control measures;
- design of working environments, machinery and plants;



- operational and working procedures.

### **Appointments and definition of responsibilities**

For all figures, identified for the management of issues concerning health and safety 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 of the task and can also be achieved through specific training courses.

The assignment of specific health and safety responsibilities takes place, in writing and with a certain date, defining, in an exhaustive 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 an effective allocation of responsibilities in relation to corporate roles and functions:

- management, coordination and control responsibilities within the Company are formalised;
- the persons envisaged by the legislation on health and safety in the workplace (including, in the case of construction sites, the persons envisaged by Title IV of Legislative Decree 81/08) are correctly appointed (and identified in the *HS* organisation chart) and the powers necessary to perform the role assigned to them are correctly conferred on them. Where required by the reference legislation, the names of such persons are communicated externally. With regard to activities carried out under contract/subcontract (e.g. for the installation of machinery at customers' points of sale), the Company shall inform the customer of the names of the persons in charge and share their training certificates;
- the system of delegated powers, signature and spending powers is consistent with the assigned responsibilities;
- the allocation and exercise of powers within a decision-making process is congruent with the positions of responsibility and the relevance and/or criticality of the underlying risk situations;
- there is no subjective identity between those who take or implement decisions and those who are required to carry out the controls on those decisions as provided for by law and by the procedures laid down in the control system;
- the persons in charge and/or appointed pursuant to current legislation on health and safety in the workplace have adequate and effective competence in this area.

## **Health surveillance**

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

The suitability check is carried out by the competent doctor who, on the basis of the indications provided by the employer and on the basis of his knowledge of the workplace and of the work processes, checks in advance the health suitability of the worker, issuing judgements of total or partial suitability or of unfitness for the task. Depending on the type of work required and on 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 on the correct way to carry out their duties, are trained and, in cases provided for by law, are instructed. This training and/or instruction is subject to documented verification. Training activities are provided through variable modalities (e.g. face-to-face training, written communications, etc.) defined both by the Company's choices and by the provisions of the regulations in force.

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

Staff training documentation is forwarded to the personnel management and is also used for the purpose of making new appointments.

The purpose of the training activity is to:

- ensure, including through appropriate planning, that any person under the control of the organisation is competent on the basis of 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 of the actual or potential impact of their work, the correct behaviour to adopt and their roles and responsibilities.

## **Outsourcing of work to external parties**

Contracted activities and works are governed by Article 26 and Title IV of Legislative Decree 81/08. The subject executing the works must possess suitable technical-professional requisites, verified also through registration with the CCIAA. It shall demonstrate compliance with insurance and social security obligations with respect to its personnel, also through the presentation of the Single Document of Contribution Regularity. If necessary, the executor must also submit a special report to INAIL for any total or partial changes to the activity already insured (based on the type of intervention requested and on the information provided by the company). The Company shall request the names of the persons in charge of the contractors/subcontractors.

The contractor, in the cases provided for by law, must issue the Declaration of Conformity to the Rules of Art on completion of the work.

In addition, the safety and coordination plans for construction sites are adequate and effectively implemented.

In the case of contracts falling within the category of works under Title IV of Legislative Decree 81/2008 - Art. 88 et seq. the subject executing the works must possess suitable technical-professional requisites, verified in the manner provided for by Annex XVII of Legislative Decree 81/2008 and, in particular, all the indications provided for in Art. 90 of Legislative Decree 81/2008.

The Company may identify the appointment of a Work Supervisor for the performance of the duties set forth in Article 88 et seq. of Legislative Decree No. 81/2008 when issuing specific delegations of function, or from time to time depending on the type of contract.

## **Purchases**

The procurement of equipment, machinery and plant is conducted after an assessment of the health and safety requirements of the same, also taking into account the considerations of the workers through their representatives.

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

Prior to the use of new equipment, machinery or plant, the worker in charge must be appropriately trained and/or instructed.

Purchasing activities are managed in such a way that:

- the criteria and modalities for the qualification and verification of suppliers' requirements are defined;
- procedures are defined for verifying the conformity of the equipment, plant and machinery to be purchased with the regulations in force (e.g. CE marking), as well as the criteria and procedures for assessing the conformity of health and safety requirements, also providing for forms of consultation with workers' representatives;
- where applicable, the procedures for carrying out acceptance checks, initial verifications and approvals necessary for commissioning are provided for.

## **Maintenance**

All equipment, machinery and plants that may have significant impacts on Health and Safety are subject to scheduled maintenance protocols with timing and procedures also defined by the manufacturers. Any specialised interventions are carried out by individuals who meet the legal requirements and must produce the necessary documentation.

Maintenance activities on security devices are subject to registration.

In the presence of equipment and plants for which the legislation in force envisages periodic checks to be carried out by specific external bodies (e.g. ARPA, ASL, Notified Bodies, Inspection Bodies, etc.), a specific verification contract is stipulated with the body in charge; if the body in charge does not provide the service within the timeframe envisaged by the legislation, the following procedure will be followed:

- in the event of the existence of additional persons in possession of the authorisations/authorisations to carry out the verification work, they will be entrusted with the task;
- in the absence of alternative subjects, self-diagnosis will be carried out through existing technical structures on the market (e.g. maintenance companies, engineering companies, etc.).

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

- that the procedures, timeframes and responsibilities are defined for the scheduling and performance of maintenance and periodic inspections, where provided for, of equipment, plant and machinery (identified punctually in specific protocols/schedules) and the periodic control of their efficiency;
- the recording of maintenance carried out and the related responsibilities;

- that the modalities for reporting faults are defined, the most appropriate means for communicating such modalities 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 well-being principles. They are regularly maintained so that defects that may affect the safety and health of workers are eliminated as quickly as possible; adequate hygiene conditions are ensured.

Any specific risk areas must be appropriately marked and, where appropriate, made accessible only to adequately trained and protected persons.

### **Emergencies**

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

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

Suitable fire-fighting systems, chosen by type and number, are available and maintained on the basis of the specific fire risk assessment, or the indications provided by the competent authority. Suitable sanitary facilities are also available and maintained.

Emergency management is implemented through specific plans:

- identification of situations that may cause a potential emergency;
- defining how to respond to emergency conditions and prevent or mitigate their negative consequences in terms of Health and Safety;
- planning the verification of the effectiveness of emergency management plans;
- updating of emergency procedures in the event of accidents or negative outcomes of periodic simulations.

### **Procedures and work instructions**

Due to the complexity of the work, specific work instructions or operating procedures may be provided, which, together with documentation on the use of

machinery and equipment and the safety documentation of substances, must be accessible to the worker.

### **Collective and individual protection**

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

- the suitability of PPE for the types of risks identified during the assessment;
- compliance with applicable technical standards (e.g. CE marking);
- the definition of the modalities for the delivery and, if necessary, the storage of PPE;
- the control of the maintenance of protection requirements (e.g. control of deadlines).

### **Communication and staff involvement.**

The Company adopts appropriate means to ensure health and safety in the workplace:

- internal communication between the various levels and functions of the organisation;
- communication with suppliers and other visitors in the workplace;
- receiving and responding to communications from external stakeholders
- worker participation, 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;
  - √ consultation with them when there are changes that may have significance for Health and Safety.

## **F6. Further protocols of prevention**

Pursuant to the Model, specific controls are in place to ensure that the Company's organisational system, established pursuant to applicable workplace safety regulations

and accident prevention, is constantly monitored and placed in the best possible operating condition.

For the purposes of monitoring the implementation of what is indicated in paragraph F5, specific audit activities will be carried out, also with the collaboration of competent company subjects and possibly of external consultants. These audit activities will be conducted on the basis of the UNI EN ISO 19011 standard: "Guidelines for audits of quality and/or environmental management systems", which defines the guidelines on the principles of the audit activity, the management of audit programmes, the conduct of the audit as well as the competence of the auditors.

In addition, as part of the departmental observation system, the supervisors:

- have been provided with a special *check-list* indicating the general principles of conduct, prevention protocols, safeguards and behaviours to be verified;
- intervene immediately, interrupting any behaviour that does not comply with safety instructions;
- share with the other supervisors, on a monthly basis, the results of the checks on the *checklist*, also for statistical processing purposes.

Finally, the *check-list* has a special section called '*Aspects shared with the operator*', in which any corrections, as well as any objections, leading to the sending of the relevant reminder letter, are reported.

With the revision of the Organisation Model, following the procedural changes adopted by the Company, a special part dedicated to this type of offence was drawn up, which is attached to this Model and is to be considered an integral part of it.

## **G. Offences Environmental**

With the revision of the Organisation Model, following the introduction of environmental offences, a special part dedicated to this type of offence was drawn up, which is attached to this Model and is to be considered an integral part of it.



## H. Offences Tax

### H1 Sensitive activities within the scope of tax offences

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 which, potentially, the tax offences set forth in Article 25-*quinquiesdecies* of the Decree could be committed.

- Management of inspections by the 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 relations with agents;
- Management of consultancy (administrative, fiscal, etc.);
- Procurement management;
- Customer selection and the sale of finished products, goods and services through direct (branches) and indirect (distributors) channels;
- Management of marketing activities (e.g. promotions, sponsoring, advertising, etc.);
- Management of free gifts;
- Management of intra-group relations;
- Management of tax and fiscal aspects with the financial administration, also through external professionals;
- Preparation of financial statements and communications to shareholders and/or the public/market concerning the economic, asset or financial situation of the Company;
- Management of extraordinary operations;
- Information systems management.

## **H2 Specific protocols of prevention**

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

- management of the sensitive activity exclusively by persons endowed with appropriate powers (Chairman and Managing Director);
- the involvement of various company figures in the critical phases of the sensitive activity (the Managing Director, the Administrative and Financial Director, the Administrative Manager and the Head of the function involved);
- support from external 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 the documentation produced at critical stages of the process (e.g. inspection reports, information flows to the Supervisory Board);
- the indication in the 'PA officials' visit register' (Annex 1 to document 'PR07') of the activities attributable to inspection visits.

For operations concerning **the management of litigation**, the protocols provide that

- management of the sensitive activity exclusively by persons endowed with appropriate powers (Chairman and Managing Director);
- the involvement of various company figures in critical phases of the sensitive activity, such as the Directors, the Administrative and Financial Director, the Head of the Legal Department, the HR Director for labour matters;
- support from law firms;
- the archiving of all documentation related to the activity (e.g. contracts, memoranda, *reports* periodicals, etc.) to allow for 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 the appropriate powers (Managing Director);

- the involvement of various company figures in the critical phases of the sensitive activity (Managing Director, General Manager, Personnel Management and Head of the requesting function);
- the support of an outsourcer for *payroll* activities;
- the application of the 'PR05-Personnel 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 Department to the *outsourcer* of data for the processing of payslips;
- verification by the Personnel Office of the correctness of the data processed in the pay slips by the *outsourcer* with the data originally transmitted;
- 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 various company figures in the critical phases of the sensitive activity, such as the General Manager, the Manager or Head of Service/Sector, the HR Director, the Administrative and Financial Director and the relevant persons in charge of the various activities;
- the application of procedures 'PR06-Reimbursement of Mission and Travel Expenses' and 'PR11- Management of Financial Resources';
- the storage and archiving of documentation relating to the sensitive activity, also using IT systems to allow traceability and ex post verification (e.g. receipts, etc.);
- the use of the computer system for the compilation and reporting of expense reports;
- the involvement of an external *outsourcer* who must report any critical issues to the Administrative Management;
- 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 the tax legislation are identified and increased when determining taxable income.

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

- the involvement of different corporate figures in the critical phases of the sensitive activity (applicant function, General Manager, *Purchasing Department* and *buyers*);
- the application of procedures 'PR02- Procurement Management' and 'PR13- Supplier Evaluation';
- the preservation and archiving of the documentation produced at critical stages of the process (e.g. e-mails, Chamber of Commerce visas, Purchase Orders, evaluation sheets, etc.);
- the use of SAP and IUNGO IT and management systems;
- the verification, when entering the supplier's master data, of the supplier's registered office or residence and/or the credit institutions used by the same in transactions;
- extraction of suppliers' balance sheets to assess their economic and financial reliability;
- Periodic checks 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 offers before the supplier is selected. All exceptions must be duly justified;
- specific audits and verifications at the supplier's premises.

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

- the management of the sensitive activity exclusively in the hands of persons endowed with appropriate powers (such as, inter alia, the Directors and the Head of the Procurement Department);
- the involvement of various corporate figures in the different phases of the sensitive activity, such as the General Manager, the Purchasing Director, the requesting function, the Administrative and Financial Management, the Head of Treasury and Accounts Payable, and the *buyers*;
- the application of procedures 'PR02- Procurement Management' and 'PR13- Supplier Evaluation';
- the storage and archiving of documentation produced at critical stages of the process (e-mails, purchase orders);
- that purchases of '*inventory*' coded products are preceded by the formalisation of 'open/closed' orders;
- that "open" orders can only be issued after signing a supply contract with a price list

approved by the Procurement Department;

- that any change in price and/or contract conditions must be authorised in advance by the Procurement Department;
- that the function requesting a good/service is obliged to make "receipt of the good/service received", certifying that the good/service received is in conformity with what was contractually agreed;
- that the accounting of costs for the purchase of goods or core services only takes place if the Order/Receipt/Invoice corresponds 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:

- the management of the sensitive activity exclusively in the hands of persons endowed with appropriate powers (the Chairman of the Board of Directors, the Managing Director);
- the involvement of various corporate bodies and figures in the different phases of the sensitive activity, such as the Board of Directors, the Expenditure Approval Manager, the Purchasing Director, the requesting function, the Administrative and Financial Management, 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 activities foreseen from the Purchase Request (PO) phase 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 the payment of invoices for 'non-core' products is conditional on the existence of an approved RDA;
- that payment of invoices for non-core product orders not preceded by an RDA shall only take place following authorisation by the person with the power of signature to authorise such expenditure.

For operations concerning the **management of relations with agents**, the protocols provide:

- management of the sensitive activity exclusively by persons endowed with appropriate powers, such as, inter alia, the Foreign Sales Director, the Italy Sales Director and the Area Sales Managers;
- the involvement of different company figures in critical phases of the 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:

- the management of sensitive activities exclusively by persons with appropriate powers (Chairman and Managing Directors);
- the involvement of various corporate figures in the critical phases of the sensitive activity, such as the Chief Executive Officer, the General Manager, the Head of the Applicant Department, the Administration and Finance Department, the Legal Director and the HR Director;
- the application of procedures 'PR02-Procurement Management' (with regard to the consultant evaluation and selection phase) and 'PR03-Consultancy Management';
- the preservation and archiving of documentation produced at critical stages of the process;
- the authorisation of the Managing Director or the Chairman of the Board of Directors for consultancy services with an amount exceeding EUR 300,000;
- that the performance of the service is verified before payment of the consultancy invoices;
- periodic transmission to the Supervisory Board of the list of consultancies with amounts exceeding EUR 30,000 per individual service or of those whose amounts exceed a threshold set by the Board itself.

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

- management of the sensitive activity exclusively by persons vested 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 corporate figures in the different phases of the sensitive activity, such as the Purchasing Director, the Requesting Management, the RSPP;
- the application of the 'PR64\_06-Procurement Management' procedure;
- the preservation 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 IT systems (e.g. Procurement Platform);
- periodic monitoring of suppliers' performance and requirements;
- that a defined authorisation process is followed for inclusion in the Suppliers' Master Data and that substantive checks are carried out on suppliers (name, registered office, VAT number, tax code, IBAN);
- that accounting only takes place if the Order/Receipt/Invoice corresponds with regard to both the amounts and the supplier's identification data;
- that and passive invoices are stored in digital format.

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

- management of the sensitive activity exclusively by persons endowed with appropriate powers, including the Chairman, Managing Directors, Foreign Sales Director and Italy Sales Director;
- the involvement of various company figures in critical phases of sensitive activity such as the Sales Manager, the Key Account Manager (direct sales), the Area Managers (indirect sales) organised geographically across the country, 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 formalisation in special letters of the target bonuses granted to distributors.

For operations concerning the **management of marketing activities (e.g. promotions, sponsorships, advertising, etc.)**, the protocols provide:

- that sponsorship contracts are always signed by the Managing Director;
- the involvement of various corporate figures in critical phases of the sensitive activity, such as the Chairman of the Board of Directors, the Managing Director and the Administration and Finance Department;
- the application of the 'PR11-Financial Resources Management' procedure;



- that when contributions are made to distributors for participation in trade fairs, documentary evidence of actual participation in the events is requested and kept;
- that each transaction is accounted for and any related payments are made exclusively by bank transfers and/or cheques;
- that the SB periodically checks the reporting of operations.

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

- the involvement of various corporate figures in critical phases of the sensitive activity, such as the Chairman of the Board of Directors, the Chief Executive Officer, the Administration and Finance Department and the Procurement Department (for possible procurement);
- the application of the 'PR11-Financial Resources Management' procedure;
- the storage and archiving of documentation produced at critical stages of the process (e.g. purchase invoices, list of gifts distributed, etc.);
- the reporting of each operation;
- that payment is made exclusively by bank transfer and/or cheque;
- periodic verification by the Supervisory Board of the reported operations.

For transactions concerning the **management of intra-group relations**, the protocols provide:

- the involvement in the different phases of the sensitive activity of various corporate figures such as the Managing Director, the General Manager, the Administrative and Financial Director and the Administrative Manager;
- the preservation and archiving of documentation produced at critical stages of the process (e.g. contracts, invoices, etc.);
- periodic verification of the *intercompany* active and passive invoicing cycle;
- the formalisation of *intercompany* transfer pricing documentation pursuant to Article 26 of Decree-Law No. 78/2010.

For operations concerning the **management of fiscal and tax aspects with the tax authorities, including through external professionals**, the protocols provide for:

- the management of the sensitive activity exclusively in the hands of the persons endowed with appropriate powers (Chairman of the Board of Directors and Managing Director);

- the involvement in the different phases of the sensitive activity of various company figures such as the Administrative and Financial Director and the Administrative Manager;
- the involvement of tax consultants, especially with regard to complex cases;
- the application of 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, declarations, etc.);
- that a schedule of tax obligations be prepared annually;
- that the auditing company and the board of auditors verify the tax calculation prepared by the company;
- that the telematic file of the declaration is kept and that the corresponding transmission receipt is filed;
- that the consistency between the data in the paper declaration and those in the declaration sent electronically is checked.

For operations concerning the **preparation of financial statements and communications to shareholders and/or the public/market concerning the Company's economic, asset or financial situation**, the protocols provide for

- the involvement in the different phases of the sensitive activity of various corporate figures such as the Chairman of the Board of Directors, the Managing Director 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-Budgeting' 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 are extracted directly from the management *software* in use (SAP);
- that the management *software* in use (SAP) keeps track of each cancelled operation, in order to avoid the loss of data and their voluntary deletion;
- that *back-up* policies are defined and implemented to ensure the recoverability of corporate data;
- that SAP is configured to prevent unauthorised access to accounting data and documents.

For operations concerning the **management of extraordinary transactions**, the protocols provide for:

- the involvement in the different phases of the sensitive activity of various corporate figures such as the Chairman of the Board of Directors, the Managing Director and the Administrative and Financial Management;
- the preservation and archiving of the documentation produced at critical stages of the process (e.g. transaction report, transaction opinion, etc.).

For operations concerning the **Management of Information Systems**, the Company has appropriate control measures in place for the prevention of computer crimes and described in section E) of this special section.

## I. Smuggling

### I1 Sensitive Activities under Smuggling

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 fulfilments** as a *sensitive and instrumental* activity in the context of which, potentially, smuggling offences 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 Fulfilments**, the protocols provide that

- the management of the sensitive activity is delegated exclusively to persons vested with appropriate powers, including the Chairman of the Board of Directors, the Managing Directors, the Administrative and Financial Director, the Administrative Manager, the Customer Service Supply Chain Manager, the Italy Sales Director and the Foreign Sales Director;
- different company figures are involved in the different phases of the sensitive activity, such as the Administration and Finance Director, the Customer Service Manager and the Logistics Department;
- the Company avails itself of the support of forwarding agents;
- customs procedures are carried out at home via CAD (Customs Assistance Centre);
- the Customer Service function sends the customs documents to the CAD, which is required to check their content before proceeding with customs formalities;
- the documentation produced at critical stages of the process (e.g. invoices, declarations, etc.) is also stored and archived by means of *software* that allows the verification of all documentation delivered to the shipper;
- a verification of the actual export of the goods is carried out through the NAM system;
- the shipments made and their documentation are verified on a daily basis.

## **J. Offences relating to means of payment other than cash**

### **J.1. Sensitive activities in the area of offences relating to non-cash means of payment**

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 offences relating to non-cash means of payment provided for in Article 25-*octies*.1 of the Decree could be committed.

- Management of expense reports.
- Management of company assets and utilities (e.g. cars, mobile phones, personal computers, company credit cards, etc.).
- Selection of suppliers, including business *partners* for the implementation of payment and e-commerce systems, and purchase of raw materials, semi-finished goods, other goods or utilities.
- Selection and contractualisation of payment service providers (e.g. *PayPal*, *Braintree*).
- Direct management of the e-commerce channel and related sales and collections.
- Information systems management.

### **J.2. Specific protocols of prevention**

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

- the involvement of various company figures in critical phases of the sensitive activity (Director of Administration, Finance and Control; Head of Treasury and Accounts Payable and Personnel Director);
- the involvement of an *outsourcer* that supports the company in carrying out activities related to the management of expense claims;
- the application of corporate procedures '*PR06-Reimbursement of expenses for missions and travel*' and '*PR11-Financial Resources Management*';
- the preservation and archiving of the documentation produced in the critical phases of the sensitive activity (e.g. Justifications), as well as the use of IT systems (e.g. *Antexweb*) for the compilation of the expense claim and the related reporting;
- that the request for reimbursement of the expense claim is entered by the employee in the dedicated computer system (*Antexweb*);
- that the expense claim, once entered, is printed, signed and sent by the employee to his or her direct supervisor and to the *outsourcer's* offices, for the purposes of a substantive check;

- that the *outsourcer* reports to the employee and to the Administration, Finance and Control Department any criticalities found during the verification phase of the expense report;
- that the employee's request for a cash advance be addressed to his direct supervisor for possible authorisation;
- verification, by the person in charge of the cash delivery, of the actual authorisation referred to in the above check.

For operations concerning the **management of company assets and utilities (e.g. cars, mobile phones, personal computers, company credit cards, etc.)**, the protocols provide:

- the involvement of various company figures in critical phases of the sensitive activity (Director of Administration, Finance and Control; Head of Treasury and Accounts Payable and Personnel Director);
- the application of a procedure regulating the sensitive activity under consideration in its main phases, the actors involved and their areas of intervention and responsibility;
- the preservation and archiving of all documentation produced in connection with the process under consideration (e.g. credit card issuing files);
- that the allocation of instrumental goods is justified on the basis of the role and task of the beneficiary personnel, through a formal request by the person concerned;
- that the request is duly authorised by the Personnel Department and that, in addition, for the issuance of company credit cards, the authorisation flow is also in the hands of the Director of Administration, Finance and Control;
- that company credit cards are used not only for travel and mission-related expenses, but also for the purchase of items/products *online*.

For operations concerning the **selection of suppliers, including business partners for the implementation of payment and e-commerce systems, and the purchase of raw materials, semi-finished goods, other goods or utilities**, the protocols provide:

- the involvement of various corporate figures in the critical phases of the sensitive activity (Applicant Function, Director of Administration, Finance and Control, Head of Treasury and Supplier Accounting, Director of Purchasing & Supply Chain; Legal Department);
- the application of procedures '*PR03 - Procurement Management*' and '*PPR13 - Supplier Evaluation*';

- the preservation and archiving of documentation produced at critical stages of the process (e.g. e-mails, Chamber of Commerce visas, Purchase Orders, evaluation forms, etc.), as well as the use of IT systems;
- when entering a new supplier in the registry, verification of the supplier's registered office or residence and/or the credit institutions used in commercial transactions, as well as extractions of their balance sheets;
- periodic checks on the reliability and existence of foreign suppliers, as well as VAT verification;
- the selection of business *partners* for the implementation of payment and *e-commerce* systems with regard to the reputational degree/level and downstream anti-money laundering controls;
- that the relationship with business *partners* for the implementation of selected payment and *e-commerce* systems is formalised within a contractual agreement;
- that audits/checks/reconciliations are carried out between the flow of receipts from *e-commerce* sales and the related 'commissions' paid to the external *provider*.

For operations concerning the **selection and contractualisation of payment service providers** (e.g. **PayPal, Braintree**), the protocols provide:

- management of sensitive activities exclusively by persons endowed with appropriate powers (Chairman and Managing Directors, Head of *Supply Chain Customer Service*, Director of *Marketing* and Communication, Director of Quality and Services, Head of Production, *Chief Commercial Officer*, Head of Information Systems, Director of Foreign Sales, Director of Italian Sales, Area Sales Managers, Head of Purchasing Service, Director of *Supply Chain* and Group *Planning*, HR Director, Administrative and Financial Director);
- the involvement of various company figures in critical phases of the sensitive activity (Head of Treasury and Accounts Payable and Director of Purchasing & *Supply Chain*);
- the application of procedures '*PR03 - Procurement Management*' and '*PPR13 - Supplier Evaluation*';
- the preservation and archiving of the documentation produced at critical stages of the process (e.g. e-mails, chamber of commerce visas, contracts, evaluation forms);
- that the selection of *payment service providers* takes place taking into consideration, in addition to their reputational degree/level, the possibility of managing the different geographical areas in which Gruppo Cimballi operates with an integrated evaluation system;
- the formalisation within contracts of the relationship with *payment service providers* selected.

For operations concerning the **direct management of the e-commerce channel and related sales and collections**, the protocols provide for:

- the involvement of various company figures in critical phases of the sensitive activity (Director of Administration, Finance and Control, Head of Treasury and Supplier Accounting and Director of Purchasing & *Supply Chain*);
- the application of a procedure governing the management of company assets and utilities in its main phases, the actors involved and their areas of intervention and responsibility;
- the storage and archiving of the documentation produced in critical phases of the sensitive activity (e.g. electronic invoices, summary reports, etc.), as well as the use of IT systems (e.g. *SAP standard* and *SAP commerce*);
- management of the *e-commerce* channel via a programme integrating the computer system *SAP standard* with the *SAP commerce* information system;
- that the programme, through an automated flow, gives the customer the opportunity to place an order, which is captured in *SAP commerce* and automatically transmitted to *SAP standard*, with the result that the order is generated as well as the master data with the customer's data;
- that, on a weekly basis, the contracted *payment service providers* generate and send to Gruppo Cimbali a *report* on the collections from the *e-commerce* channel;
- the transfer, on a weekly basis, of receipts, deriving from the *e-commerce* channel, from the *payment service provider* at Gruppo Cimbali;
- the involvement, by means of a special contract, of a consultant who is able to verify the payment method entered by the customer, in order to check that the data entered is not subject to fraud reports worldwide.

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



## **K. Crimes against cultural heritage and laundering of cultural goods and devastation and looting of cultural and landscape heritage**

### **K.1. Sensitive activities in the context of offences against cultural heritage and laundering of cultural property and devastation and looting of cultural property and landscapes**

Through the *control and risk self-assessment* activity, which is an integral part of the Model, the Company has identified the **Management of the MUMAC museum** as a sensitive and instrumental activity within the scope of which, potentially, the offences provided for in Articles 25-*septiesdecies* and 25-*duodicies* of the Decree could be committed.

### **K.2. Specific protocols of prevention**

For operations concerning the **management of the MUMAC museum**, the protocols provide:

- management of the sensitive activity exclusively by persons with appropriate powers (Chairman, Managing Directors and Museum Manager);
- the involvement of various company figures in critical phases of the sensitive activity (Managing Director and Museum Manager);
- the application of a Museum Regulation;
- the maintenance of a codified list of cultural goods that are part of the Museum's collection;
- the formalisation in specific loan contracts of the management of cultural assets that are not owned by Gruppo Cimbali or directly by the Cimbali family;
- the preservation and archiving of documentation produced at critical stages of the sensitive activity (e.g. loan agreement, list of coded cultural goods);
- the insurance of all goods that are part of the Museum's collection (when these are on loan for exhibitions/exhibitions outside the Museum's collection, they are insured in both first and second degrees);
- that, in the event that cultural goods need restoration/modification, the only person authorised to carry out this type of work is a specific identified restorer;
- that the authorisation for the purchase/sale of cultural goods on the open market is provided by the Managing Director, through the signing of the relevant purchase/sale contract.