

**ETHICAL CODE OF CONDUCT**  
**Legislative decree 231/2001**  
**Cigisped S.r.l.**

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## 1 General principles: nature, addressees and objectives

Cigisped S.r.l. (hereafter **CIGISPED**) operates with integrity, fairness and professionalism in the pursuit of its mission, which is constant commitment to serving clients and focusing on innovation and quality.

It avoids any conduct that may facilitate or arouse suspicion of the commission of any kind of offence, or undermine the trust, transparency or tranquillity of the workplace or market.

The Ethical Code is designed to enable everyone working in or in any case connected with **CIGISPED** to fully understand and comply with the ethical principles it is based on.

The Code is an official document setting forth the ethical principles to which **CIGISPED** subscribes and with which it identifies and which must inspire all the subjects with which it comes into contact.

Subjects addressed by this Ethical Code and under obligation to comply with its principles include directors, employees with economic/decision making powers, statutory auditors, shareholders and quota holders (if performing administration and/or management functions) and any subjects exercising management and control of CIGISPED or its subsidiaries, irrespective of their legal status.

Other addressees of the Code include CIGISPED's agents, all its contract workers and collaborators, including occasional ones, its partners (including suppliers) and dealers and consultants acting in the name and on behalf of **CIGISPED** or under its control.

Addressees not under obligation and therefore not subject to sanctions for infringement of the provisions of this Code include suppliers, consultants and partners of **CIGISPED** unless doing business in its name and on its behalf.

In the case of non-obligated subjects, respect for and adherence to the principles in this Code may be a preferable or even indispensable requisite in choosing subjects with which to establish or maintain relationships.

With the publication of this Ethical Code, **CIGISPED intends not only to comply with the** provisions of legislative decree 231 (8 June 2001) but to lay down rules of conduct which, in conjunction with an effective anti-corruption policy, will consolidate its leadership in the industry.

Hence the need for an approach which is not merely contingent or compliance-oriented but rather structural, given the importance of the subject matter and the seriousness, to say the least, of the consequences of infringements.

Under current anti-corruption law, compliance is a dynamic process in which companies must not only adopt the appropriate internal codes and documents but also suitable control and audit instruments. This Code is therefore under continual review and all subjects involved must take part in its drafting in the manner and forms described hereunder.

The requirements contemplated by this Code are not only of a legal and economic nature but are also dictated by the precise social and moral principles that **CIGISPED** is committed to.

Reasons for adopting this Ethical Code:

- to establish a code of conduct and relative disciplinary criteria designed to prevent the commission of offences connected with the company's business or that is in any case in its interest;
- identify suitable internal measures and control instruments for monitoring compliance with

the Code;

- create value for **CIGISPED**.

A special Supervisory Board will be set up to guarantee the foregoing.

## 2 Negotiations and relationships with the public administration (PA)

For the purposes of this document, the following are considered public administrations: the Italian State and its administrative bodies, territorial public agencies and all other public organizations, as well as the European Union and all its administrations (including mixed companies, public service providers and all legal entities included amongst administrations that may call for tenders).

### 2.1. Negotiations and contracts with the PA

In negotiations or any other activity involved in obtaining grants and/or contracts to be stipulated with the PA or any other organization providing a public service under contract **CIGISPED** must behave correctly and transparently and win contracts in fair competition by virtue of the technical and economic quality of its bids.

**CIGISPED** must not create the slightest suspicion that it may want to unduly influence negotiations or obtain the relative contract by means other than the quality of its bid.

During negotiations for public contracts no employee or contractor of **CIGISPED** may:

- give or promise gifts, money or other advantages to public officials or public employees providing a public service for the purpose of influencing the impartiality of their professional judgement;
- when participating in tenders, exchange information on technical/economic bids with the other participants in the tender, even if they are commercial partners of **CIGISPED**;
- enter agreements with the other participants if competing in the same tender, even if they are commercial partners of **CIGISPED**;

this and the previous point are not applicable to any associates of **CIGISPED** in a temporary association of companies;

- send false or misleadingly formulated documents, certify inexistent requisites or provide guarantees not reflecting the truth.

**CIGISPED**'s employees and contractors may not during negotiations with the PA receive any goods from representatives of the PA.

If contractual relationships provide for the payment of commission, whoever on authorizing such payments to agents or other intermediaries has grounds for suspecting that part of the payments or fees may be used to bribe or influence the decision of a public official must immediately inform the Supervisory Board.

It will be the task of the Supervisory Board to ascertain the grounds of the suspicion and, if it should prove true, take suitable steps to prevent commission of the offence.

Such provisions apply in the same way to payments made to foreign public entities. It is an

infringement of **CIGISPED's** policy to engage in any form of corruption, whatever the local methods or customs.

In view of and in addition to the sensitive processes highlighted in the implementation of this Ethical Code (as highlighted in **Special Part 1 – Offences in relationships with the PA – section: Sensitive processes in relationships with the Public Administration**), reference should be made to the supplementary special part (**Special Part 2 – Offences in relationships with the PA – section: Specific Procedures**), which specifies with regard to management of relationships with officers of national or foreign administrations certain general lines of conduct that employees must adopt in the performance of their duties.

## 2.2. Relationships with public officials, public employees and public service providers

**CIGISPED's** relationships with public officials, public employees (whether or not working for a public service) and public service contractors must be based on transparency, loyalty and fairness.

All persons must in their relationships with the Public Administration comply with the information obligations towards the Company's administrative officers and the Supervisory Board and make available and accessible all documentation and operations, including non-economic ones, carried out within the scope of the tasks and functions assigned to them.

**CIGISPED**, its representatives and contractors must not undertake or confer any kind of professional engagement or undertake any economic activity with public officials or public employees in any way engaged by the PA or who have participated in administrative proceedings (contractual or otherwise) or judicial proceedings entailing advantages for **CIGISPED** in the last 24 months<sup>1</sup>.

**CIGISPED's** employees and representatives must inform their immediate superiors and the Supervisory Board of any business relationships or economic activities undertaken on a personal basis with public officials or public employees (as well as any gifts of significant value offered to or received from such subjects) if they may give rise to benefits for **CIGISPED**.

## 2.3. Loans, public funding or any profit at the expense of the PA

**CIGISPED** may not draw benefit from public administrations unless by way of lawfully adjudicated contractual relationships, lawfully obtained dispensations or disbursement of benefits of any kind duly obtained and employed for the purposes for which they were awarded.

It follows that **CIGISPED's** employees and representatives must in no way make unjust profit at

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<sup>1</sup> Each new hiring could also be reported to the Supervisory Board but, given that the latter could not possibly check the positions of all new hirings, the approach adopted in this Ethical Code seems the most plausible and practicable. In practice, new entries are required to provide self-certification declaring whether or not they have had prior employment or collaboration relationships with the PA, and if they have, what relationships they had with CIGISPED S.R.L. It should be noted that a rejected candidate could apply to an industrial tribunal citing the aforementioned restriction on hiring as discriminatory. To obviate this, the restriction should be limited to the cases indicated above and be of limited duration, though it is not possible a priori to exclude the possibility of such legal action being taken. It being clear that acceptance of the aforementioned principle protects the Company for the purposes of law 231/2001 but could entail the risk of action before an industrial tribunal, it's up to the Company to balance the two risks, although in consideration of the respective sanctions, there are not many alternatives.

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the expense of the PA and therefore must not:

- unduly receive subsidies, financing, soft loans or other disbursements of the same type however denominated, granted or disbursed by the PA by using or submitting false documents (or documents making false statements) or by withholding required information;
- use grants, subsidies or loans intended for the implementation of public works or the carrying out of activity in the public interest for purposes other than those for which they were granted;
- produce falsified accounts or issue false documents regarding use of the aforementioned funding;
- default, in part or whole, on contractual obligations towards the PA or provide services other than those stipulated;
- make any other type of profit (licenses, authorizations, rebates, tax reliefs or non-payment of social security contributions, etc.) for themselves or the Company or anyone else to the detriment of the public administration by means of artifice or fraud (eg. sending false documents or documents making false declarations);
- undertake economic activities with, confer professional engagements on or give or promise gifts, money or other advantages to public officials or public employees involved in administrative proceedings that may entail advantages for the Company;
- in any way alter the operation of an IT or ITC system of the PA or act in any way on data, information or programmes in such systems.

## 2.4. Funding of political parties and organizations

Relationships with political movements, committees, organizations and trade unions in Italy and abroad and with their officers, agents or candidates are in line with the ethical principles of fairness and observance of the law.

Any donations paid to the aforesaid entities must be in accordance with the law and accurately stated in the accounting records.

### 2.4.1. Political donations

**CIGISPED** may only make donations to the subjects and within the limits set by law 515 (10 December 1993), disciplining “Chamber of Deputies and Senate of the Republic election campaigns”, and all other relevant laws. **CIGISPED** does not make donations to political parties.<sup>2</sup>

Political donations include any payment, loan or gratuity made to any political party and/or political or trade union organization or their members or independent candidates (whether they hold public office or are candidates for an election).

Such donations, of whatever **CIGISPED** assets or resources they may consist, may only be made following a resolution by the Company’s top management.

**CIGISPED**’s directors, employees and contractors may not make political donations with any

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<sup>2</sup> The top management may decide whether or not to make political donations and choose between the two opportunities envisioned.

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funds, property, services or other resources belonging to the Company.

Any donations made through a 3<sup>rd</sup> party which in turn pays the donation (on behalf of **CIGISPED** or in its name) to any of the above listed subjects are also to be considered as donations by **CIGISPED**.

#### *2.4.2. Personal political donations*

**CIGISPED** shall not reimburse political donations made on a personal basis by its employees, directors or any subject connected with it.

### **3 Fairness and transparency in management and fulfilment of reporting requirements**

**CIGISPED** must be administered and managed in accordance with the principles of transparency and fairness and fulfilment of all legal reporting requirements in respect of both supervising bodies and any other addressees. The Company must also be managed in such a manner as to ensure maximum safeguarding of its assets, quota holders, creditors and investors.

#### **3.1. Corporate notices**

Corporate notices must be truthful, clear, correct and transparent.

All corporate notices required by law must be drafted in accordance with the principles, criteria and rules laid down by the Civil Code and accounting standards in compliance with tax legislation and all other provisions of law.

Corporate notices include financial statements, consolidated financial statements, prospectuses (addressing investors and the general public and in any case all the subjects required by law), management reports to be attached to draft terms of merger or demerger or drafted for the purpose of other extraordinary events (such as reduction of share capital by more than a third, winding up of the Company, etc.) and all other types of corporate reporting or notice regarding its income, equity or financial situation required by law.

No one drafting corporate notices or the underlying documentation (invoices, contracts, expense accounts, bills, purchase orders, etc.) must make false declarations or omit information.

**CIGISPED** requires the same conduct of persons drafting disclosures to public authorities (Antitrust and others), forbids them to hinder the work of such authorities and recommends maximum collaboration with them.

All **CIGISPED** employees and contractors are under obligation to make every report, disclosure and filing with the Companies Register as and when required by law.

They must also promptly inform their superior and the Supervisory Board of any omission, imprecision or falsification in accounting records or supporting documentation that they become aware of.

Corporate notices must be truthful, clear, correct and transparent, as well as being inspired by the criteria of immediate retrievability and verification of data.

All operations must be appropriately entered in the records for the purposes of:

- smooth accounting verification and reconstruction;

- precise reconstruction of operations;
- identifying levels of responsibility.

To avoid unduly making or receiving payments, all employees and contractors, in all their negotiations, must observe the following principles regarding documentation and the keeping of records:

- all payments and other transfers of money made by/to the Company, including those made from/to foreign countries, must be accurately and fully recorded in the accounts and other mandatory registers;
- all payments must be made exclusively to the addressees and against activities under contract;
- all payments made and invoices issued in respect of the PA and payments received from same must be reported to the Supervisory Board, as must all promotional activities covered by the budget;
- no false, incomplete or misleading records must be made and no secret or unrecorded funds set up; nor may funds be deposited in personal accounts or accounts not belonging to the Company;
- no unauthorized use must be made of **CIGISPED's** funds, resources or personnel.

**CIGISPED** is also guided by the principles of fairness and transparency in communication addressing the public and aims to provide potential investors with clear, precise and complete information enabling them to make informed decisions regarding investment in the Company and its financial products<sup>3</sup>.

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### 3.2. Procedures and delegation of powers

No one must have powers of representation, direction or management unless under specific power of attorney.

**CIGISPED** has a formal system of authorizations and approvals for the adoption of decisions regarding operations, investments and finance.

Depending on the degree of organizational complexity, **CIGISPED** will take into due consideration the principle of separation of functions as a key requisite for effective control of operations carried out.

All actions and activities carried out by or on behalf of **CIGISPED** must, without prejudice to confidentiality, be:

- lawful, in accordance with the provisions of law, procedures and regulations;
- open to objective analysis and verification, with precise identification of the subjects involved;
- based on correct and complete information.

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<sup>3</sup> Given CIGISPED S.R.L. is not a listed company and given its ownership structure, this ethical principle could be eliminated.

Delegation of powers must be designed to ensure that:

- no subject is invested with unlimited powers or functions that cannot be legally delegated;
- no subject is invested at the same time with powers both to decide on spending and to audit such spending;
- the contents of powers of attorney correspond to the responsibilities assigned and are not overlapping or in conflict, even partially or potentially, with powers delegated to other subjects;
- the powers and responsibilities assigned are known to the Supervisory Board.

It should also be noted that powers may also be assigned to subjects external to the Company, as in the case of consulting relationships, for instance. Such subjects, when accepting the functions or tasks assigned to them, must also accept the principles set forth in this Ethical Code.

### **3.3. Safeguarding of share capital and other administration obligations**

Directors (or anyone performing their functions) must in no way prevent or hinder control activities on the part of the quota holders or any external auditing firms.

The company's equity must be managed correctly and honestly, so the directors, employees, contractors and quota holders must work together to protect it. For this reason,

- its assets, goods, receivables and shares must be correctly valued and stated at values neither higher nor lower than those due;
- operations involving the company's capital or any other kind of operation may not be carried out using non-distributable profits or legal reserves;
- the company's capital may only be reduced in the event of losses or impairments;
- the directors may not purchase or subscribe the company's shares or quotas unless they do so with their own resources.

The same principles must be followed in appraisals and other operations necessary for or instrumental in mergers with other companies or demergers.

The quota holders may not be released from the obligation to make capital contributions.

**CIGISPED** employees must in no way collaborate in the above listed operations.

Whoever performs the function of director must give due notice of the quota holders' meeting as required by law or the bylaws or within any other term inferable from the law.

No one must attempt to influence the normal conduct of company meetings by misleading or deceiving the quota holders.

Anyone who cannot or must not exercise their vote must inform the Supervisory Board.

Any subject becoming aware of the aforementioned impediments, even if through 3<sup>rd</sup> parties, must inform the company officers invested with the necessary powers to investigate.

The directors must act in good faith and fairness and are under obligation to:

- perform their duties with diligence and respect for the principle of collaboration with the other company officers;

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- promptly inform the Supervisory Board of any conduct that seems in contrast, even if only potentially, with the law, safeguard the company's assets and, where required, irrespective of the quota holders' interest in the redemption of contributions;
  - verify the Company financial statements, especially regarding the exactness and truthfulness of the figures in them, before proceeding to distribution of profits and reserves;
  - maintain the confidentiality of information and documents acquired in the performance of their functions and not use such information to their advantage.

### 3.4. Safeguarding of company assets

**CIGISPED's** employees and external contractors are directly and personally responsible for the protection and legitimate use of the assets (tangible and intangible) and resources entrusted to them to carry out their functions.

None of the assets or resources belonging to **CIGISPED** must be used for purposes other than those indicated by same or for illegal ends.

Every asset belonging to the Company must be entered in the accounting records, unless such recording is excluded by current law.

In view of and in addition to the sensitive processes highlighted in the implementation of this Ethical Code (as highlighted in **Special Part 2 – Corporate offences – section: Sensitive processes in relation to corporate offences**), reference should be made to the supplementary special part (**Special Part 2 – Corporate offences – section: Specific Procedures**) which specifies with regard to management and the drafting of financial statements and other accounting situations, certain general lines of conduct that employees must adopt in the performance of their duties.

### 3.5. Impartiality and conflict of interest

Everyone must operate impartially and make decisions with rigour and transparency in the performance of all business processes.

Everyone must reject all illicit pressure in carrying out their activities. If anyone undergoes pressure, flattery or requests for favours regarding their or anyone else's work or receives inducements to abandon impartiality, they must immediately inform their superiors and the Supervisory Board.

To respect the principle of fairness and transparency and ensure the trust of investors and clients, **CIGISPED** takes care that its employees, directors, representatives or contractors do not find themselves in conditions of conflict of interest.

Conflict of interest is to be understood to mean any situation, occasion or relationship in which a subject's personal interests or those of correlated persons (relatives, friends, acquaintances) or organizations in which such subject is a director or executive could, even only potentially, cause abandon of the duty of impartiality.

All the aforementioned subjects must avoid all situations that may generate conflict with the Company's interests. In particular, they must avoid any conflict of interest between personal and family economic activities and the positions they hold in the Company.

All choices made and actions carried out by **CIGISPED's** employees and contractors must tend towards maximum advantage for the Company, which therefore lays down the following rules:

- directors who have an interest in competition, even only partially, with that of the Company may not carry out or collaborate in operations (or take part in the relative resolutions) involving the disposition of assets owned or managed by the Company;
- employees and contractors of the Company may not carry out any business or other professional activity that is in competition, even only partially or indirectly, with the interests of the Company;
- no one must directly or indirectly collaborate with the Company's competitors.

Every 6 months the directors declare their compliance with the rules set forth above.

CIGISPED's employees and contractors may not directly or indirectly participate or collaborate in any way in any transaction, financial operation or investment made by the Company from which they may derive profit or any other kind of personal advantage not contractually provided for, except in cases expressly authorized by **CIGISPED** itself.

All **CIGISPED's** employees, contractors and directors are duty bound to avoid and prevent the arising of conflict of interest.

Anyone becoming aware of a conflict of interest, or even the possibility of one, must immediately inform the Supervisory Board.

All employees and contractors instructed to carry out negotiations with private parties on behalf of **CIGISPED** must inform the Supervisory Board if there is a possibility of a conflict of interest arising to the disadvantage of the Company when a person in charge of a selection process is a friend, relative or business partner of a candidate or has economic interests in common or feels obligated toward him/her.

There is no conflict of interest in the case of operations between companies belonging to the same group entailing advantages for the group as a whole.

### 3.6. Private-to-private corruption

To respect the principle of fairness and transparency and gain maximum advantage from its business, **CIGISPED** takes care that its employees, directors, representatives, contractors and auditors are neither passive nor active engagers in private-to private corruption.

The aforementioned subjects therefore must not breach the obligations and duties attaching to their positions to receive (or because they have already received) promises of money or various utilities and advantages.

**CIGISPED** forbids the receiving or even merely accepting the promise of any utility or advantage, irrespective of any infringement of duties.

During negotiations, representatives of **CIGISPED** must not only pursue maximum advantage for the Company and set aside their own personal interest but must also refuse to accept any kind of promise of personal utility (money, goods, services, future employment, various other advantages) made by any of the bidders and not be influenced by such promises in their choices.

**CIGISPED** does not allow such advantages to be given or merely offered to subjects bound to other companies or their auditors to induce them to abandon the duties attaching to their positions.

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#### 4 Counterfeit coins and revenue stamps<sup>4</sup>

**CIGISPED** monitors and punishes all conduct favouring the counterfeiting or alteration of coins that are legal tender in the European Community or outside it and also of credit cards and revenue stamps.

This means that neither employees nor contractors of the Company must forge or in any other way alter (or in any way participate in alteration or counterfeiting) coins, credit cards or revenue stamps.

Neither employees nor contractors of the Company, nor anyone else on behalf of the Company may in any way fabricate or collaborate in the fabrication of fake coins, credit cards or revenue stamps.

**CIGISPED** forbids its employees and anyone else acting on its behalf or in its interest to use, spend or in any other way circulate the above said coins and revenue stamps.

#### 5 Treatment of confidential information and financial market abuse<sup>5</sup>

All information obtained by **CIGISPED** employees and contractors by virtue of their employment or collaboration relationship is the property of **CIGISPED**.

**CIGISPED** operates in regulated securities markets and adopts the principles of loyalty, fairness, parity of access to information and transparency in full compliance with the law and without influencing the regular operation of the markets themselves.

**CIGISPED** recommends not disclosing any confidential information that may influence securities market operations before it has been disclosed to the market.

The following, by way of example, are considered confidential information:

- information on technologically advanced products;
- draft terms of merger, acquisition, demerger, disposal of companies or company divisions, disinvestments or any other operation that may change the legal or organizational structure of listed companies or issuers, and relative preliminary activities;
- changes to the management and stock option plans;
- situations of crisis, conflict and litigation that may significantly influence the fortunes of listed companies or issuers;
- strategies, investments and any other circumstances that may affect the business or ownership structure (including shareholders' agreements) of listed companies or issuers;
- any information capable of influencing the price of financial instruments or in any case securities markets.

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<sup>4</sup> Given the precise nature of the objects involved in the offences contemplated in art. 25-*bis*, legislative decree 231/2001 (*Counterfeit coins, credit cards and revenue stamps*), this sort of risk and the possibility of the Company's administrative liability for the related offences are to be considered fairly remote. Liability attaches above all to those with the technical capacity to put counterfeit or altered coins, credit cards and revenue stamps in circulation. However, it is advisable to include provisions regarding counterfeit coins, credit cards and revenue stamps in the Company's Ethical Code for the sake of completeness and compliance with the provisions of legislative decree 231/2001.

<sup>5</sup> Interviews carried out at your company show there is no real risk, given that it doesn't operate on securities markets. Given the possibility of future investments however, it is advisable to retain the above provisions so as to be covered for the purposes of legislative decree 231/2001.

The following are therefore not allowed:

- carrying out operations (even indirectly) involving securities or financial instruments before confidential information has been made public;
- recommending or favouring the carrying out of such operations before confidential information has been made public;
- selling confidential information to 3<sup>rd</sup> parties;
- divulging such information before its publication, without specific authorization.

These prohibitions are also extended to relatives, cohabitants, contractors and anyone who by virtue of their confidential relationship with the aforementioned subjects comes into possession of such information.

The aforementioned subjects may not spread fake news or simulate operations or employ any other means to cause an appreciable change in the prices of financial instruments or significantly affect public confidence in the financial stability of banks or banking groups.

The following are considered financial instruments: shares, bonds and in general any securities trading on regulated markets and contracts deriving from such securities.

Directors, executives and all internal control officers who become aware of serious and blatant infringements of the rules on disclosure and use of confidential information must, in addition to fulfilling their obligation to inform the Supervisory Board, immediately initiate the relative disciplinary procedure.

## 6 Use of information systems

The use of information systems during work done for the Company is subject to the conditions stipulated in license contracts, current law and the principles stated in this Code.

All users of IT devices are responsible for the security of the programmes and correct use of all the data acquired in the exercise of their functions.

The Company's function managers collaborate with the Supervisory Board to assure the effectiveness of the security systems designed to protect installations and monitor accesses.

## 7 Terrorism and subversion of democratic order<sup>6</sup>

**CIGISPED** disapproves of all conduct intended to promote, establish, organize, direct or finance associations that incite acts of violence for purposes of terrorism and subversion of the country's democratic, judicial, political, economic and social order. **CIGISPED** also disapproves of any act committed by such associations, that is, any act of terrorism.

**CIGISPED** observes and is inspired by the principles and provisions of the International Convention for the repression of funding of terrorism stipulated in New York il 9 December 1999

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<sup>6</sup> Given the nature of the offences contemplated in art. 25-*quater*, legislative decree 231/2001 – *Crimes of terrorism and subversion of democratic order*, this sort of risk and the possibility of CIGISPED S.R.L.'s administrative liability for the related offences are to be considered fairly remote. Liability attaches above all to those funding such offences through the money laundering of their profits. It therefore applies to internal executive bodies which in collaboration with subversive associations raise and employ funds for terrorism.

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and of all other anti-terrorism conventions that Italy should join.

**CIGISPED** therefore disapproves of all acts of violence intended to injure or kill people or damage people's things or goods for any political, religious or social reasons, irrespective of the involvement of the people harmed or damaged in political or social conflicts. **CIGISPED also** disapproves of the creation of and participation in associations whose mission includes the above mentioned activities.

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**CIGISPED** disapproves of any act designed to intimidate a population or a state or force a government or an international institution to carry out or abstain from carrying out certain acts.

In view of the foregoing, **CIGISPED** forbids its directors, employees, contractors and all addressees obligated by this Code in their activities in the name and on behalf of the Company to raise funds from the aforementioned activities or for the purpose of funding them (even partially) or to carry out any action designed to finance, promote or in any way favour the abovementioned activities.

Regarding the raising and providing of funds, **CIGISPED** requires that the purposes identified beforehand be pursued and that no support be given to the aforementioned activities or other illicit ends. The Company in any case recommends that this policy be borne in mind in the management of financial resources, which should be carefully controlled.

**CIGISPED** prohibits propaganda or any form of promotion or instigation of the above listed disapproved activities by means of its resources (including the Company's website) and in carrying out activities in the name and/or on behalf of the Company.

**CIGISPED** also prohibits propaganda or any other form of promotion or instigation aimed at simply favouring the setting up of or participation in associations whose aims embrace the above listed activities.

Anyone becoming aware of practices aimed at committing or financing acts of terrorism must immediately inform the Supervisory Board.

Breaching of the rules in this section will be severely punished.

## 8 Crimes against the individual<sup>7</sup>

In carrying on its business **CIGISPED** operates with full respect for the rights of the individual.

**CIGISPED** repudiates anyone who by means of violence, threats, deception, abuse of a person's physical or psychic inferiority or of a situation of necessity or by promising or giving sums of money or other advantages:

- exercises over another person (also for purposes of organ removal) powers that correspond to ownership rights, meaning anyone who reduces or keeps another person in a state of continual subjugation and forces them to render labour or sexual services, beg or provide any other services entailing exploitation. In particular, **CIGISPED** does not publish or otherwise distribute child pornography or spread news or information for the purpose of soliciting or sexually exploiting minors;
- induces another person to enter, stay in or leave the territory of the State or move within it

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<sup>7</sup> Given the nature of the offences contemplated in art. 600, 601, 602, legislative decree 231/2001, *Crimes against the individual*, this sort of risk and the possibility of the Company's administrative liability for the related offences are to be considered fairly remote. However, it is advisable to include provisions regarding human trafficking in the Company's Ethical Code for the sake of completeness and compliance with the provisions of legislative decree 231/2001.

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for the purposes of slavery or the pursuit of the purposes indicated above;

- acquires or sells another person.

In line with the foregoing principles **CIGISPED** does not use low cost labour in breach of basic human rights, immigrant labour, including minors, from poor countries, or any persons in the condition of not being able to refuse such work.

**CIGISPED** only hires on the basis of regular contracts in full compliance with the relevant laws in force.

Anyone becoming aware of facts or actions suggesting involvement in the aforementioned offences must promptly inform the Supervisory Board.

Breaching of the rules in this section will be severely punished.

## 9 External Relations

It is not allowed to disclose to subjects external to the Company any content, effect, terms or scope of application of measures or decisions having external effect before they have been formalized and officially communicated to the parties concerned.

It is not allowed to disclose or improperly use information and/or any other kind of news that is confidential in connection with job-specific acts or operations without specific and documented authorization issued within the limits of the law.

It is not allowed to use, transmit or store in paper or digital form any illicit or socially reprehensible information.

3<sup>rd</sup> parties are not allowed to access the Company's internal documents, whether formalized or drafts, except in the cases and in the manner provided for by law and current internal rules.

Any commercial information acquired in the course of work must be kept secret unless otherwise required by law.

It is not allowed to make statements or announcements to the public that may in any way harm or negatively reflect on the Company's standing and business.

To safeguard its image and the reliability of the information it issues, and in line with the principles set forth above, **CIGISPED** rules that:

- no employee or contractor may issue interviews or any kind of statement on behalf of or regarding **CIGISPED** to unqualified external subjects or accredited journalists unless with express written approval from **CIGISPED**;
- any **CIGISPED** employee or contractor who is asked to issue statements on information regarding the Company to unqualified external subjects or accredited journalists must refer such subjects to the relevant company officers.

The Company entrusts interviews and official communications to<sup>8</sup>:

- its legal representatives and the Commercial Department, each in their area of responsibility.

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<sup>8</sup> Other subjects authorized to give interviews and issue corporate notices may be appointed for the purpose.

## 10 Relations with the judiciary

**CIGISPED** acts in compliance with the law and within the limits of its responsibilities favours correct administration of justice (whose course to establish the truth may not be hindered).

In carrying on its business, **CIGISPED** operates lawfully and correctly and collaborates with the judiciary, the police and any public official with powers of inspection who is investigating it.

**CIGISPED** requires all its employees and contractors to offer maximum assistance and collaboration to anyone who comes to carry out inspections and checks on behalf of INPS (national social security agency), the Health Ministry, the Employment Ministry or any other public administration.

Ahead of any judicial proceedings, investigations or inspections by the PA, no one must destroy or alter records, minutes, accounting records or any other type of document, or lie or make false declarations to the authorities.

No one must even attempt to persuade another person to provide false or misleading information to the authorities.

No one may undertake economic activities with, confer professional engagements upon or give or promise gifts, money or other advantages to anyone carrying out investigations or inspections or to the judicial authorities.

Anyone who, even on a personal basis and in connection with matters independent of their employment relationship, comes under investigation or inspection or receives a writ of summons or other court order must immediately contact the Company's counsel and inform the Supervisory Board.

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## 11 Environmental offences

In its commitment to safeguarding the environment **CIGISPED** acts in line with basic principles and criteria. The procedures in place provide for a system of checks and controls of emissions to the environment designed to prevent the risk of committing offences under art. 25, *undecies*, legislative decree 231/2011.

Such principles and criteria are as follows:

- excepting where allowed, do not kill, capture or hold wild animals of protected species;
- excepting where allowed, do not destroy, remove or hold wild plants belonging to protected species;
- excepting where allowed, do not destroy the habitat within a protected site or in any case cause deterioration thereof that would compromise its state of conservation;
- do not discharge industrial waste water without authorization or after authorization has been suspended or revoked;
- do not collect, transport, recover, dispose of, trade or broker waste without due authorization;
- do not pollute the soil, subsoil or surface or groundwater by exceeding risk threshold concentrations and in such cases provide for reclamation;
- in drafting waste analysis certificates, supply correct data on the nature, composition and chemical–physical characteristics of waste;
- do not engage in unlawful dealing in waste;

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- do not exceed quality of air limits set by authorizations, regulations or current law;
  - do not import, export, transport, hold, use for profit, acquire, sell, exhibit or hold for sale or other commercial purposes the species indicated in EC Regulation no. 338/97 without regular certification or license; do not put on sale or in any way transfer such species without the required documentation;
  - do not keep live wild mammal or reptile species or live wild mammals or reptiles born in captivity that may endanger health.

## 12 Copyright offences

On the basis of analysis of copyright offence risk in relation to the company's business, it does not appear necessary at present to adopt specific procedures to prevent the reproduction, distribution, sale or marketing or importation of works protected by copyright or related rights.

## 13 Money laundering offences

Art. 3, law 186, 15/12/2014 (published in Gazzetta Ufficiale no. 292, 17/12/2014) and art. 648-ter-1, Italian Penal Code introduced an amendment to art. 25-octies, legislative decree 231/01, to cover this new offence (money laundering).

Money laundering is the concealment of funds arising from offences on the part of the perpetrator(s) of such offences. It is mainly associated with offences such as tax evasion, bribery and embezzlement of corporate assets.

On analysis of the offences contemplated in decrees 231/2007 and 231/2001 and given the company's present structure, current money laundering law does not make it necessary to substantially modify the procedures already in place. In fact, the procedures adopted by the Company to minimize "administrative liability" risk (offences under art. 648 bis and 648 ter, Italian Penal Code) are sufficient to cover this newly introduced offence too.

## 14 Health and safety of employees

Pursuant to the provisions of art. 25 septies, legislative decree 231/2001, in relation to offences under art. 589 and 590, clause 3, Penal Code (especially in connection with infringements of workplace health and safety and hygiene regulations), **CIGISPED** prevents the occurrence of events potentially involving the aforementioned offences by requiring all the addressees of this Model to comply with:

1. current workplace health and safety law;
2. internal rules on protection and prevention of risks for employees.

To such end, reference must be made to all documents, rules, provisions and procedures produced by the Company in compliance with current law and in particular legislative decree 81/08 and subsequent amendments and additions safeguarding the health and safety of employees.

Reference must be made to the following:

- ❖ Risk Assessment Document pursuant to art. 17 and 28, legislative decree 81/08;
- ❖ functions and tasks of the Prevention and Protection Service and Company Doctor;

- ❖ rules for using Personal Protective Equipment;
- ❖ job-specific safety provisions;
- ❖ provisions on use of work equipment;
- ❖ provisions on fire prevention, evacuation of employees, first aid.

Of prime importance to the Company, in fact, is compliance with all current health and safety legislation to prevent harm to employees.

**CIGISPED** is committed to adopting the utmost prudence, diligence, experience and expertise in workplace health and safety techniques.

It is also in the Company's interest to ensure that all employees and those acting in the name and on behalf of same comply with current workplace health and safety regulations and the Company's own rules safeguarding employees.

All infringements of the aforesaid regulations and rules will be assessed and if necessary sanctioned by the Company irrespective of any penal liability inherent in the infringements.

With express reference to the safeguarding of employees' health and safety, the Company's Organization, Management and Control Model provides for a system ensuring fulfilment of all the relevant obligations relating to:

- a) compliance with legal technical-structural standards relating to equipment, plant, workplaces and chemical, physical and biological agents;
- b) risk assessment activities and consequent implementation of prevention and protection measures;
- c) activities of an organizational nature, such as emergencies, first aid, management of tenders, periodical safety meetings, consultations with employees' safety representatives;
- d) healthcare monitoring;
- e) information and training activities for employees;
- f) monitoring of compliance with safe working procedures and instructions on the part of employees;
- g) acquisition of documentation and certifications required by law;
- h) periodical verification of the application and efficacy of the procedures adopted.

The Model provides for a system designed to record fulfilment of the above listed obligations.

The organization model adopted by **CIGISPED** provides for separate functions ensuring technical expertise and the necessary powers for risk verification, assessment, management and control.

The organization model also provides for a system to audit implementation of the model itself and make sure that measures adopted continue to be suitable with the passing of time.

Review and eventual modification of the organization model must be carried out whenever significant infringements of accident prevention or workplace hygiene regulations are discovered or when changes are made in the organization or business in step with new scientific and technological developments.

Reference must be made to the entirety of the Company's workplace health and safety

organization and in particular risk assessment activities pursuant to art. 17 and 28, legislative decree 81/08, and activities by the Prevention and Protection Service pursuant to art. 31, 33 and subseq., legislative decree 81/08.

Despite the fact that the review of the Company and analysis of its risks did not show any medium or high risk factors, to guarantee correct application of the principles inherent in the ethical code adopted, reference must be made to the special supplementary part (Special Part 3 – health and safety of employees – section: Rules and General Principles), which specifies certain general lines of conduct that employees must adopt in the course of their duties.

## 15 Executive procedures

A Supervisory Board (see section 14) was set up for the purposes of ensuring correct interpretation and application of this Ethical Code and the carrying out of the relative executive and disciplinary procedures.

The tasks of the Supervisory Board are:

- monitoring of compliance with and operation and updating of the Models pursuant to legislative decree 231/200;
- interpretation of and compliance with the Ethical Code.

The Supervisory Board has full powers of autonomous initiative and control.

It must verify compliance with this Code and its principles by all the addressees.

All **CIGISPED** employees and contractors who become aware of infringements of the Ethical Code and/or the law or of any suspect conduct or operating procedure are under obligation to promptly and confidentially inform the Supervisory Board.

Anyone may report the aforesaid infringements to the Supervisory Board (email or fax).

Persons wishing to report to the Supervisory Board are guaranteed anonymity and the utmost confidentiality in the treatment of information thus received.

The Supervisory Board is independent and separate from **CIGISPED's** Operating Sectors and may avail itself of external consultants in the performance of its functions.

The heads of individual offices must monitor the work of their teams and report every six months on the regular carrying out of operating procedures in accordance with this Code.

Infringement of the principles contained in the Ethical Code jeopardizes the relationship of trust between **CIGISPED** and its employees and external contractors.

It follows that anyone infringing any of the rules of conduct in this Code **will be punishable with disciplinary sanctions, which may also entail termination of the employment relationship or collaboration contract.**

The Company will sanction all infringements of the Ethical Code without consideration as to whether such infringements constitute actual commission of an offence and irrespective of any legal action taken.

The sanctions (described in detail in section 14) will be applied (in the case of employment relationships) **in accordance with art. 7, Workers Statute (law 300, 20 May 1970) and the provisions of the relevant collective labour agreements.**

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## 16 Circulation of the Code

A copy of this Code will be made available to all **CIGISPED** employees and contractors. Copies will also be available in all **CIGISPED** sites and in any case in the offices of the Management and the Supervisory Board and its subordinate offices (if any).

All employees will be informed in advance of the existence of the Ethical Code by means of correspondence, notices displayed in places accessible to all and posting of the Code on **CIGISPED's** website.

The Management in collaboration with the Supervisory Board will organize meetings to ensure thorough understanding of the principles of the Ethical Code at **CIGISPED**.

All new employment relationships or collaboration contracts (even occasional), new commercial contracts or other agreements (preferential agreements, instruments of appointment, etc.) must contain explicit reference to the Ethical Code.

## 17 Operation of the Supervisory Board

### 17.1. Institution

**CIGISPED** set up a Supervisory Board (hereafter SB) to ensure full and concrete implementation of the Ethical Code and the Organization Model and constant compliance with the principles laid down therein on the part of all those bound by them.

This Code disciplines the establishment and operation of the SB and regulates the powers, tasks and responsibilities attributed to it by the Company in accordance with the principles of autonomy and independence characterizing its functions.

Given its autonomy and independence, the SB is not part of the Company's organizational hierarchy, refers exclusively to the law and answers for its actions solely on the basis of the powers and within the limits defined by this Code.

The presence and operation of the SB does not exclude the obligation to supervise and oversee operators' activities and compliance with the rules of ethical conduct that in any case continues to be binding on the heads of the various company structures.

### 17.2. Appointment and composition

The SB is a committee of three standing members and three alternate members, thus ensuring operating continuity in cases of necessity.

Such figures must be chosen as follows:

- 1 expert legal professional;
- 1 expert technical-administrative professional;
- 1 expert business professional with proven knowledge and experience in social accountability, social reporting, ethical codes and corporate planning and organization, management control and risk analysis.

The SB's autonomy and its members' high level of technical and professional expertise in the fields of insurance and corporate affairs (as documented by their professional résumés) guarantee control of the actual level of application of the rules of conduct, even in the case of top management figures.

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Once they have accepted their appointments, persons chosen as SB members act fully independently in their performance of the functions of the SB.

During the SB's first meeting one of the three members is appointed to act as its chair.

The Company ensures that the SB has a suitable secretary, who will be a Company employee and official with broad knowledge of the Company, all the necessary technical resources and the use (non necessarily exclusive) of suitable rooms for meetings and any other activities deemed necessary. Such spaces must guarantee absolute confidentiality for the workings of the SB.

### **17.3. Causes of ineligibility**

Membership of the SB is not open to anyone who:

1. has been subject to precautionary measures ordered by the courts (unless rehabilitated);
2. has been sentenced (unless rehabilitated) to:
  - a prison term for banking, financial and tax offences;
  - a prison term for any of the offences under title XI, volume V, Civil Code, and royal decree 267, 16/03/1942;
  - reclusion for at least six months for offences against the public administration, public property, public order or public finances;
  - reclusion for at least one year for any offence committed with criminal intent;
3. is a relative of persons in top management positions or their subordinates in the Company or who has had ongoing work relationships with them in the previous 12 months totalling at least 10 hours a week.

### **17.4. Term of office**

The Supervisory Board's term of office is fixed by contract. Members may be re-appointed on the expiry of their term.

### **17.5. Causes of termination**

The Company may for no reason revoke the engagement of an individual member of the SB but may declare the entire body terminated in cases of total inactivity for over 12 months.

An example of such inactivity would be failure to call meetings or carry out periodical checks, to take minutes or keep a regular register of minutes.

An SB member is automatically terminated in the event of:

- occurrence of any of the causes of ineligibility in section 17.3 above; a member terminated for such reasons may not be re-appointed;
- failure to participate in three consecutive meetings without justification.

In cases of resignation, incapacity, death or termination of office of a member of the SB, he or she is replaced by an alternate member and within 60 days of vacation of office a new appointment is

made. The member thus appointed holds office until expiry of the term of the SB in its original composition.

In the case of termination of the entire SB, the Company's director provides for the selection of new members within sixty days. Pending the appointment of a new board, SB functions are carried out by the alternate members.

The chair of the SB is under obligation to promptly inform the director of any circumstances making it necessary to replace one or more members of the SB.

### **17.6. Powers of the SB**

The SB is vested with all the powers needed to ensure timely and efficient monitoring of the operation of and compliance with the Organization Model adopted by the Company. The Board's powers provide for:

- verification of the efficiency and efficacy of the Organization Model adopted in terms of preventing the commission of the offences contemplated;
- verification of compliance with the procedures provided for in the Organization Model and ascertainment of any irregular conduct emerging from the reports that the managers of the various functions have to make;
- drafting of proposals to submit to the General Management regarding updates and alignments of the Organization Model adopted to be implemented by means of any modifications and/or additions that may become necessary (eg. significant infringements of the requisites of the Organization Model, significant modifications to the Company's internal structure, new legislation, etc.);
- reporting to the General Management of ascertained infringements of the Organization Model that may give rise to liability on the part of the Company;
- drafting of a half-yearly report to the General Management regarding the Board's verification and control activities and outcomes thereof.

The SB must report all conduct suggesting a possible offence to the General Management, which shall act on the basis of the type of offence under current law.

On ascertaining infringements of the Ethical Code not entailing possible offences, the SB reports them to the General Management, which carries out the appropriate investigations and may if necessary take disciplinary action.

### **17.7. Tasks of the SB**

The tasks of the SB may be summarized as follows:

- drafting of a Work Plan and relative timings to submit to the General Management;
- monitoring of actual application of the Model: verification of alignment between theoretical conduct and actual conduct;
- analysis of the Model's adequacy: verification of its capacity to actually prevent undesired conduct;
- verification of the capacity of the rules and principles of the Code to prevent commission of

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- offences and administrative and accounting irregularities and proposals for modification where necessary;
  - dynamic updating of the Ethical Code and Organization Model whenever analysis points to the need for correction or amendment.

Such activities are carried out in two stages:

- submission of proposed modifications to the Ethical Code and Organization Model to the company officers/functions capable of implementing them; such proposals must be submitted to Strategic Management;
- follow-up: verification of the implementation and effective operation of the proposed solutions.

In carrying out the aforementioned tasks the SB privileges the areas deemed most at risk following reports from the managers concerned.

### **17.8. Operating rules**

The activities put in place by the SB cannot be questioned by any other company body or structure, though the General Management must ascertain the adequacy of the Board's work. The General Management, in fact, is ultimately responsible for the operation and efficacy of the Ethical Code and Organization Model.

The operation of the Supervisory Board is guaranteed by the following rules:

- the SB has free access to all the Company's functions, with no need for prior consent, to acquire all the information needed for the carrying out of its activity;
- the SB may make use of all the Company's facilities;
- the SB is ensured the use, albeit not exclusive, of suitable rooms for meetings, hearings and any other activity deemed necessary, thus guaranteeing that its functions can be carried out in total confidentiality and in full compliance with legislative decree 196/03 safeguarding the privacy of the subjects involved; for this purpose furniture, cabinets and/or cupboards with locks for keeping SB documents will be provided;
- an e-mail address has been created for the exclusive use of SB to guarantee the secrecy of information/reports on infringements of the Ethical Code;
- the SB meets when called by the chair or at the request of a majority of its members;
- notice of meeting is also sent at the same time to the General Management;
- the SB submits six-monthly reports on its activities to the General Management;
- the SB meets at least once every six months to ascertain regular application of the model by checking a significant sample of health and administrative documents relative to at risk areas in terms of offences;
- written reports of activities carried out are made and kept by the chair;
- if the SB ascertains an infringement of the model that may entail a possible offence that has not however been committed yet, it immediately informs the General Management, so that the latter may prevent the action from being taken or the event from occurring;

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- information received is registered and kept by the SB.

### **17.9. Updating of the operating rules**

This “Operating Rules” document, drafted by the Working Group and approved by the General Management, will be updated by the latter in the case of proposed modifications/adjustments received from the SB.

## **18 Disciplinary system**

### **18.1. Principles**

Pursuant to art. 6, clause 1e), legislative decree 231/01, the definition of an adequate disciplinary system to sanction non-compliance with the provisions of the Model and the principles underpinning the Ethical Code is a basic requisite guaranteeing the effectiveness of the Model itself and its liability-absolving effect.

Given the seriousness of the consequences for the Company in the event of con-compliance with the Model and Ethical Code by employees, executives or directors, every single infringement is subject to the disciplinary sanctions indicated hereunder, it being in any case understood that each such infringement may be seen as a breach of the duties of diligence and loyalty capable in the more serious cases of damaging the relationship of trust with the Company itself.

Application of the disciplinary system is independent of the proceedings and outcome of any criminal action brought by the judicial authorities when the conduct to be censured may also constitute an offence for the purposes of legislative decree 231/01.

It is in any case to be understood that the Company may seek compensation for damages arising from infringement of the Model by the subjects indicated in art. 5, clause 1, legislative decree 231/01.

Disciplinary sanctions are applied to Company employees in accordance with the procedures, provisions and guarantees provided for in the Workers’ Statute, the relative collective labour agreements and individual labour contracts.

In general, the application of sanctions must reflect the seriousness of the infringement committed, the overall conduct of the person, their tasks and position in the Company and any other circumstances that will from time to time be relevant. This document, together with the Ethical Code of Conduct, is made known to all our employees by being posted in the Company’s headquarters and at temporary mobile sites, in places accessible to everyone.

### **18.2. Addressees**

The following must comply with the Ethical Code and the provisions of the Model and are therefore subject to this disciplinary system:

- a) subjects performing representative, administrative or management roles within the Company or a financially and functionally independent organizational unit thereof or persons exercising direction and control of same, even on a *de facto* basis (senior management);
- b) persons subject to the direction or supervision of a senior manager (employees);
- c) other subjects who in various capacities have contractual relationships with the Company or

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operate directly or indirectly for it (3<sup>rd</sup> party Addressees).

Persons subject to direction or supervision are employees bound to the Company by an employment relationship, irrespective of the contract applied, position and/or grade in the Company (non-senior executives, line managers, white collars, blue collars).

Other addressees of the Model and relative disciplinary system include, by way of example, those with work but not employment relationships (project contractors, consultants, temporary workers), holders of powers of attorney and agents operating in the name and/or on behalf of the Company, contractors and commercial partners (suppliers, sub-contractors, etc.), subjects that perform workplace health & safety tasks and functions (company doctors and, if external, the prevention and protection service managers in the individual sites).

### **18.3. Significant conduct**

For the purposes of this Disciplinary System, an infringement of the Model means any conduct (involving commission or omission, including negligence) that may jeopardise the efficacy of the Model as an instrument of prevention against the risk of commission of the offences indicated in legislative decree 231/01.

Disciplinary offences include:

- a) infringement of the principles and rules in the Ethical Code and Model;
- b) infringement of procedures and protocols formalized in the Model (Special Part);
- c) incomplete, untruthful or no documentation of activities carried out in each of the sensitive processes as required in the procedures indicated by the Model;
- d) infringement of reporting requirements vis-à-vis the Supervisory Board;
- e) obstruction of controls, unjustified denial of access to information and documentation for subjects engaged to audit procedures and the Supervisory Board, or any other conduct designed to breach or elude the control systems provided for in the Model;
- f) omission or infringement of any provision of the Model guaranteeing workplace health and safety or the prevention of pollution or other environmental damage.

For the purposes of application of the sanctions indicated in 15.5 hereunder, disciplinary offences also include all infringements by Company employees of obligations arising from their employment relationships pursuant to art. 2104 and 2105, Civil Code, the relevant collective labour agreements and individual contracts.

### **18.4. The Supervisory Board**

In the context of its monitoring and control of compliance with the Ethical Code and Organization Model, the Supervisory Board may report or ask the management or the directors of the Company to take disciplinary action.

All disciplinary notifications must be communicated without delay to the Supervisory Board.

If the Supervisory Board at its own unquestionable discretion deems the alleged infringement significant in terms of exposure of the Company to the risk of legal action pursuant to legislative decree 231/01, the Board must express an opinion, after carrying out any necessary

investigations, as to the sanction to apply.

## **18.5. Sanctions**

### **18.5.1. Sanctions for senior management figures**

#### **a) Directors**

In the case of serious infringement of one or more provisions of the Code or Model by the Company's directors, the Supervisory Board must promptly inform the Sole Director, who will take appropriate action, which, depending on the seriousness of the infringement, may also entail suspension from office for a period of one to six months and revocation from office.

#### **b) Senior executives, sales manager and executives with power of attorney pursuant to art. 16, legislative decree 81/08.**

Infringements of the procedural rules or rules of conduct in the Model or Ethical Code committed by senior executives or any executives with power of attorney for the intents and purposes of legislative decree 231/01, are sanctioned as follows (after notification and the procedure indicated in art. 7, law 300/1970):

- written reprimand in the case of non-serious infringements; this measure is adopted by the top management;
- a fine not to exceed the amount of four hours pay if the irregularity in the previous point is committed again within a year of the written reprimand; this sanction is also applied to more serious infringements provided they are not detrimental to the Company's routine business; . this measure is adopted by the top management;
- dismissal with or without notice in the case of serious infringement of the Code or Model, depending on whether or not, in view of the infringement, the employment relationship may be continued temporarily; this measure is adopted by the top management.

Individual contracts stipulated with Company executives or letters signed for acceptance must specify the infringements of the provisions of the Model applicable to them that may lead to advance termination of the relationship.

#### **c) Sanctions for employees**

##### **Non-senior executives**

Infringements of the procedural rules or rules of conduct in the Model or Ethical Code committed by non-senior executives (and by subjects other than the above mentioned senior executives) are sanctioned as follows (after notification and the procedure indicated in art. 7, law 300/1970):

- written reprimand in the case of non-serious infringements; this measure is adopted by the top management;
- a fine not to exceed the amount of four hours pay if the irregularity in the previous point is committed again within a year of the written reprimand; this sanction is also applied to more serious infringements provided they are not detrimental to the Company's routine business; . this measure is adopted by the top management;
- dismissal with or without notice in the case of serious infringement of the Code or Model,

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depending on whether or not, in view of the infringement, the employment relationship may be continued temporarily; this measure is adopted by the top management.

Individual contracts stipulated with Company executives or letters signed for acceptance must specify the infringements of the provisions of the Model applicable to them that may lead to advance termination of the relationship.

### d) Employees (blue collars, white collars, line managers)

Employees who are under the direction and control of senior executives and breach the provisions of the Ethical Code and Model may be punished, following notification and the procedure indicated in art. 7, law 300/1970, with the sanctions provided for in the collective labour agreements for the relevant sectors and in accordance with the principle of graded sanctions proportional to the seriousness of the infringement.

Disciplinary measures more serious than verbal reprimand cannot in any case be applied until five days have lapsed since the written notification of the fact that caused it.

The sanctions are:

- verbal or written reprimand when the infringement of one or more procedural rules or rules of conduct in the Model or Ethical Code amounts to a slight irregularity; the measure is taken by the person in charge of the structure to which the employee was assigned at the time the infringement occurred;
- a fine not to exceed the amount of four hours pay if the irregularity in the previous point is committed again within a year of the written reprimand; this sanction is also applied to more serious infringements provided they are not detrimental to the Company's routine business; the measure is taken by the person in charge of the structure to which the employee was assigned at the time the infringement occurred;
- suspension from service and pay for up to 7 days (max.) when the infringement committed causes damage to the Company's assets or exposes the Company to a situation of objective risk to its assets; this sanction is also applied in cases where the infringement is not serious enough to warrant a heavier sanction but cannot be classified with the infringements described in the previous two points; the sanction is given by the person in charge of the structure to which the employee was assigned at the time of the occurrence of the infringement and must be promptly communicated to the Sole Director;
- dismissal with notice in cases of serious infringement of the Code or Model constituting a major breach; this sanction is given by the Sole Director;
- dismissal without notice if the seriousness of the infringement committed irremediably undermines the relationship of trust with the Company and makes even temporary continuation of the employment relationship inappropriate; this measure is taken by the Sole Director.

### e) Sanctions for 3<sup>rd</sup> parties

Infringements by contractors, consultants, suppliers, sub-contractors and commercial partners however termed or by other subjects in contractual relationships with the Company of the provisions and rules of conduct in the Model and Code or any commission in connection with their relationships with the Company of the offences contemplated in legislative decree 231/01 will be sanctioned in accordance with specific provisions in the relative contracts.

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In particular, such contracts must provide for the application of a penalty or include a termination clause for non-fulfilment of the provisions of the Model or Code applicable to them as expressly indicated, without prejudice to the Company's right to compensation for any greater damages.

## **19 Auditing the Model's adequacy**

In addition to constant monitoring of the efficacy of the Model (in terms of actual conduct of addressees vs. Model), the SB carries out regular checks on the capacity of the Model to actually prevent offences, preferably with the aid of 3<sup>rd</sup> parties capable of ensuring objective assessment of activities carried out.

Such activities include verification of a sample of Cigisped's main transactions and contracts in relation to Sensitive Processes and the compliance of same with the rules laid down in this Model.

The SB reviews all reports received over the year, action taken by the SB itself, events considered at risk and employees' and company officers' awareness of criminal liability issues for the Company (audit by sampling).

Such checks are carried out by the SB, which is normally supported in this by other internal functions as and when necessary.

The SB reports annually to the management board on their audits and results. If the Model is found in any way wanting, the SB will propose improvements.

## **20 Potential risk factors in CIGISPED**

See attached document: "Risk analysis".