PAUL WURTH ENERGY S.R.L.

# ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL

PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

ADOPTED BY RESOLUTION OF THE BoD ON 2 OCTOBER 2019

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# 1. ITALIAN LEGISLATIVE DECREE NO. 231/2001 AND THE REFERENCE LEGISLATION

## 1.1 The administrative liability of legal entities

Italian Legislative Decree no. 231 of 8 June 2001 introduced into the Italian legal system a regime of administrative liability, substantially comparable to criminal liability, for companies and associations with or without legal personality (hereinafter referred to as "Organizations"), for certain offences committed, in their interest or to their advantage, by:

- natural persons holding representative, administrative or managerial positions in those Organizations or one of their financially and operationally independent organizational units, as well as natural persons who exercise de facto management and control;
- natural persons subject to the management or supervision of one of the above persons.

The administrative liability of the legal person is in addition to the criminal liability of the natural person who materially committed the offence and both are subject to investigation during the same proceedings before the criminal court.

Before the Decree came into force, the principle of personal criminal liability laid down in Art. 27 of the Italian Constitution precluded the possibility of judging and convicting in criminal proceedings Organizations for crimes committed in their interest. Only joint and several liability could exist in civil proceedings for any damage caused by their employees or for the civil obligation to pay the fine or penalty the employee is sentenced to pay if the employee is insolvent (Articles 196 and 197, Italian Code of Criminal Procedure).

Today, the Organization is liable only if the following types of offence expressly named in the Decree are committed:

i) crimes against the Public Administration (Articles 24 and 25, Italian Legislative Decree 231/2001);

ii) counterfeiting of currency, legal tender, revenue stamps and distinctive signs (Article 25-bis, Italian Legislative Decree 231/2001);

iii) corporate crimes (Article 25-ter, Italian Legislative Decree 231/2001);

iv) crimes committed for the purposes of terrorism and subverting the democratic order (Article 25-quater, Italian Legislative Decree 231/01);

v) offences against the person (Article 25-quinquies, Italian Legislative Decree 231/01);

vi) market abuse crimes (Article 25-sexies, Italian Legislative Decree 231/01);

vii) transnational offences (Article 10, Italian Law 146/06);

viii) female genital mutilation (Article 25-quater.1, Italian Legislative Decree 231/01);

ix) manslaughter and serious or grievous bodily harm committed in breach of workplace health and safety regulations (Article 25-septies, Italian Legislative Decree 231/01);

x) receiving stolen goods, money laundering, self-laundering and using money, goods or benefits of unlawful provenance (Article 25-octies, Italian Legislative Decree 231/01);

xi) cybercrime and unlawful processing of data (Article 24-bis, Italian Legislative Decree 231/2001);

xii) organized crime offences (Article 24-ter, Italian Legislative Decree 231/2001);

xiii) crimes against industry and trade (Article 25-bis.1, Italian Legislative Decree 231/2001);

xiv) offences relating to breach of copyright (Article 25-novies, Italian Legislative Decree 231/2001);

xv) incitement to not testify or to bear false testimony before the courts (Article 25-decies, Italian Legislative Decree 231/2001);

xvi) environmental crimes (Article 25-undecies, Italian Legislative Decree 231/2001) as well as, with reference to sanctions only, "illegal incineration of waste" (Article 256-bis, Italian Legislative Decree 152/2006);

xvii) the employment of foreign nationals who are illegal immigrants (Article 25-duodecies, Italian Legislative Decree 231/2001);

xviii) racism and xenophobia (Article 25-terdecies, Italian Legislative Decree 231/2001);

xviii) transnational offences (Article 10, Italian Law 146/06);

xix) offences of fraud in sports competitions and the unauthorized exercise of gambling or betting activities (Article 25-quaterdecies, Italian Legislative Decree 231/2001).

### 1.2 Sanctions

The sanctions established for administrative offences relating to crimes committed are:

- fines;
- disqualification;
- confiscation;
- publication of the ruling.

In particular, disqualification, lasting no less than three months and no more than two years, concerns the specific business activity to which the Organization's offence relates and may consist of:

- disqualification from doing business;
- ban from entering into contracts with the Public Administration, unless these are to obtain a public service;
- suspension or cancellation of authorizations, permits or concessions serving to commit the offence;
- exclusion from benefits, loans, contributions or subsidies and cancellation of those already granted, if applicable;
- ban on advertising goods and services;

Disqualification is applied in the cases strictly indicated in the Decree, only if at least one of the following conditions is met:

1) the Organization gained significant profit from the crime and the crime was committed by:
   - senior management; or
   - persons managed or supervised by others when serious organizational shortcomings made it possible or easier to commit the offence;
2) in the event of repeat offences.

The type and duration of the disqualification is established by the courts, taking into account the seriousness of the crime, the extent of the Organization's liability and the actions taken by the Organization to eliminate or mitigate the consequences of the crime and to prevent other offences from being committed. Instead of applying the sanction, the judge may order the Organization to continue operating under a court-appointed administrative receiver.

The Organization may also be disqualified as a precautionary measure if there is strong evidence of its liability for the crime committed and there are reasonable grounds and specific elements indicating a concrete risk that offences of the same nature as the one before the courts may be repeated (Article 45). In this case too, the judge may appoint an administrative receiver in place of disqualification.

Failure to comply with the disqualification counts as an independent crime under the Decree, as a source of possible administrative liability for the Organization (Article 23).

The fines applicable to all offences are determined by means of a system based on "units" (no less than one hundred and no more than one thousand in number) whose amount varies between a minimum of 258.23 euros and a maximum of 1,549.37 euros. The judge decides the number of units by taking into account the seriousness of the crime, the degree of responsibility of the Organization as well as the actions taken to eliminate or mitigate the consequences of the crime and to prevent other offences from being committed. The amount of the unit is established on the basis of the economic position and equity of the Organization, in order to ensure the effectiveness of the fine (Article 11 of the Decree).

In addition to the foregoing sanctions, the Decree provides that the price or profit made from the crime must always be confiscated, which may include assets or benefits of the same value, and also requires publication of the sentence where there is a disqualification.

### 1.3 Attempted crimes and crimes committed abroad

The Organization is also liable for offences related to attempted crimes and crimes committed abroad.

If the crimes indicated in Section I of the Decree are attempted, the fines and disqualification are reduced by a third to a half, while the imposition of sanctions is excluded in cases where the Organization voluntarily prevents the action from being carried out or the event from taking place. The exclusion of sanctions is justified, in this case, by the interruption of any relationship of identification between the Organization and persons who assume they are acting in its name and on its behalf. This is the special case of "active withdrawal", provided for by Article 56, paragraph 4, of the Italian Criminal Code.

On the basis of the provisions of Article 4 of the Decree, any Organization having its registered office in Italy may be held liable for crimes - included in the Decree - committed abroad, in order

to ensure that frequently occurring criminal conduct is not left unsanctioned, and to avoid easy circumvention of the entire regulatory framework in question.

The conditions on which the Organization's liability for crimes committed abroad is based are:

a) the offence must be committed abroad by a person operationally connected to the Organization, pursuant to Article 5(1) of the Decree;

b) the Organization must have its head office in the territory of the Italian State;

c) the Organization is liable only in the cases and under the conditions provided for in Articles 7, 8, 9, 10 of the Criminal Code.

If the cases and conditions referred to in the above articles of the Criminal Code are met, the Organization is liable as long as it is not prosecuted by the State in the country were the crime was committed.

### 1.4 Crime investigation procedure and judge's review of suitability

Liability for administrative offences arising from a criminal offence is established through criminal proceedings.

The company's liability is determined by the criminal judge on the basis of:

- the existence of the crime, which is a prerequisite for company liability;
- verification that the crime committed by the Organization's employee or senior management is in the Organization's interest or to its benefit;
- review of suitability of the organizational models adopted.

The judge's review of the hypothetical suitability of the organizational model in preventing the crimes referred to in the Decree is conducted according to the criterion of so-called "posthumous prognosis". The judgement of suitability is therefore formulated according to a substantially ex ante criterion, whereby the judge ideally puts themselves in the company at the moment the offence was committed in order to test the congruency of the model adopted.

### 1.5 Actions giving exemption from administrative liability

Articles 6 and 7 of the Decree provide for specific forms of exemption from administrative liability of the Organization for offences committed in the interest or to the advantage of the Organization by both top management and employees.

In particular, for crimes committed by senior management, under Article 6 the Organization may be exempt if it proves that:

a) prior to the crime being committed, the executive body adopted and effectively implemented an appropriate Organization, management and control model to prevent offences of the type that occurred (hereinafter "Model");

b) the task of supervising the functioning and observance of the Model and proposing its updating has been entrusted to an Organizational Committee (hereinafter "Supervisory Committee" or "Committee" or "SC"), vested with autonomous powers to monitor and take action on its own initiative;

c) the persons who committed the crime acted by fraudulently circumventing the aforementioned Model;

d) there was no failure in oversight or insufficient supervision by the SB.

With regard to employees, Article 7 provides for exemption if the Organization had adopted and effectively implemented, before the crime was committed, a Model suitable for preventing crimes of the type that occurred.

The Decree also established that the Model must meet the following requirements:

- identify the activities where there is a possibility of crimes being committed;
- lay down specific regulations and procedures to plan and implement the decisions made by the Organization in relation to the crimes to be prevented;
- determine appropriate methods to manage financial resources to prevent those offences from being committed;
- provide for the obligation of disclosure to the SB;
- introduce an appropriate internal disciplinary system to sanction noncompliance with the measures indicated in the Model;

The Decree also provides that Models may be adopted, guaranteeing satisfaction of the above requirements, based on codes of conduct drawn up by trade associations and communicated to the Ministry of Justice which, in agreement with the competent Ministries, may make observations within 30 days on the suitability of the models to prevent crimes. With reference to administrative offences and offences in the field of market abuse, this suitability assessment is carried out by the Ministry of Justice, after consulting Consob.

## 2. ADOPTION OF THE MODEL BY PAUL WURTH ENERGY

Paul Wurth Energy (hereinafter PWE) has its registered office in Genoa, Via Balleydier no. 7, 16149 Genoa and its operational headquarters in Carpenedolo (BS), Via Cristoforo Colombo no. 27, where the employees engaged in the company's business activities are based.

The purpose of the company is to promote the exploitation of resources and energy efficiency through waste treatment plants, renewable energy and cogeneration plants.

PWE is controlled by Paul Wurth Italia and there is a service agreement between the two companies for the activities of administration, accounting and tax matters, treasury, payroll control, human resources, order management, engineering services, quality assurance, legal function, IT system, contracts and insurance.

The organizational structure of the company is based on a clear separation of duties, roles and responsibilities between the operational and control functions as explained below.

## 2.1. Reasons for adopting the Model

To guarantee that everyone who operates on behalf of or in the interests of the Company always conforms to the principles of integrity and transparency in conducting business and activities, PWE considered it appropriate to adopt a Model in line with the provisions of the Decree and the indications of the relevant case law.

This initiative, including the adoption of a Code of Ethics (Annex I), was taken in the belief that the adoption of this Model, aside from the provisions of the Decree, which refer to it as optional and not a mandatory requirement, may be a valid tool to raise awareness among those who work in the interest or to the benefit of the Company.

In particular, the Recipients of this Model are listed below and, as such, within the scope of their specific responsibilities, are required to be familiar with and comply with the Model:

- the members of the Board of Directors who decide on activities, propose investments and take any decision or action relating to the performance of PWE;
- the employees, seconded personnel and all consultants with whom contractual relationships are maintained, for any reason, including casual and/or temporary staff;
- all those who have business and/or financial relations of any kind with PWE;
- the Board of Statutory Auditors
- the members of the Supervisory Committee.

## 2.2 Purpose of the model

The PWE Model is based on a structured and organic system of documents and control activities that:

- identify the areas/processes of possible risk in the Company's business, i.e. those activities where there is conceivable potential for crimes to be committed;
- define an internal regulatory system, aimed at the prevention of crimes, which includes, among other things:
    - a Code of Ethics, which lays down the commitments and ethical responsibilities of the Recipients of the Model when conducting business and activities;
    - a system of proxies, signatory powers and powers of attorney for the signature of acts, which ensures a clear and transparent representation of the process for forming and implementing decisions;
    - a system of procedures. In particular, the "Instructions" - set out at the bottom of each Special Section - are those of PWIT but they have also been formally adopted by Paul Wurth Energy with a duly distributed ad hoc provision by the CEO;
    - a system of sanctions.
- are based on an organizational structure consistent with the business, aimed at inspiring and monitoring appropriate conduct, assuring clear, systematic allocation of tasks, applying proper segregation of duties, taking into account the size of PWE, and ensuring that the

planned arrangements are actually implemented within the organizational structure, through:

  - the formalization of roles and responsibilities;
  - a system of delegation of internal functions and powers of attorney to represent PWE externally, which ensures a clear and consistent segregation of functions;

- identify the processes for managing and controlling financial resources in “at-risk" activities;
- assign to the SC the task of supervising the functioning of and compliance with the Model

The Model therefore has the following purpose:

- to prepare a structured and organized prevention and control system aimed at reducing the risk of crimes connected with the activities of PWE being committed;
- to make all those operating in the name and on behalf of PWE in “risk areas" aware that, if they breach the provisions governing such activities, they may be committing a crime subject to criminal and administrative sanctions that will apply not only to them but also to PWE;
- to inform all those operating for any reason in the name, on behalf of or in any case in the interest of PWE, that any breach of the provisions contained in the Model will result in the application of appropriate sanctions that may go as far as termination of the contractual relationship;
- to reaffirm that PWE does not tolerate unlawful conduct, in no way identifying with the purpose pursued or the mistaken belief that parties are acting in the interests or to the benefit of the Company, as such conduct is in any case contrary to the ethical principles that PWE intends to observe and is therefore against the interests of PWE itself;
- to proactively censure any conduct that breaches the Model by imposing disciplinary and/or contractual sanctions.

## 2.3 The model preparation process

PWE created a specific project to prepare the Model, which took due account of the fact that the company, in line with the indications of the Confindustria Guidelines, is to be considered a small entity based on "the essentiality of the hierarchical and functional internal structure".

The project for preparing the Model followed the steps below:

1) Mapping at-risk activities. The goal of this step was to analyse the context of PWE in order to map all the areas of activity and, among these, to identify the activities in which the crimes provided for by the Decree could, hypothetically, be committed. The activities and processes/activities at risk were identified first by examining documents and then by interviewing the key persons within the structure of PWE.
2) Analysis of potential risks. The crimes that could potentially be committed within the scope of PWE business activity were identified with reference to the activity map, and for each offence the occasions, purposes and methods of committing the unlawful conduct were identified.

3) Proposals for improvement. On the basis of the results obtained in the previous step and comparison with a theoretical reference model (consistent with the Decree, with case law, with the Confindustria Guidelines and with national and international best practices), PWE identified a series of areas for incorporation and/or improvement in the control system, against which the appropriate actions to be taken were defined.

4) Preparation of the Model PWE prepared the Model, the structure of which is described in the following paragraph, taking into account the results of the foregoing steps.

The outcome of the project described above led to the adoption of this Model and the Code of Ethics.

## 2.4 Framework of the Document

The Model consists of a "General Section" and some "Special Sections".

In the "General Section", after a reference to the principles of the Decree and the reasons for adopting the Model, there is a description of:

- the essential components of the Model, with particular reference to the SC;
- staff training and dissemination of the Model;
- the disciplinary system and the measures to be taken in the event of noncompliance with its provisions;
- the general principles of conduct applicable to all risk areas.

The "Special Sections" give, for each risk area identified during the Risk Assessment:

- a description of the potential risk profile;
- at-risk activities;
- specific control protocols.

In addition, the following annexed documents form an integral part of the Model:

- Code of Ethics (Annex I) sets out the values to which Recipients must conform when accepting responsibilities, structures, roles and rules;
- Evidence sheet (Annex II), prepared to inform the SC of the initiatives/activities carried out in areas with a potential crime risk;
- Risk Assessment Document (Annex III), adopted in compliance with Italian Legislative Decree 81/08;

## 2.5 ELEMENTS OF THE MODEL

As stated above, the components of the preventive control system to ensure the effectiveness of the Model are:

1. Organizational System. This System issues and disseminates internal/service communications, which deal with specific organizational and operational aspects of the organization.

2. Authorization System. This System is set up in accordance with the following requirements:

- proxies and powers of attorney that associate powers with the corresponding area of responsibility;
- each proxy and power of attorney defines unambiguously the powers of the representative, specifying their limits;
- the management powers assigned with the proxies/powers of attorney are consistent with the corporate objectives;
- all those who act in the name and on behalf of PWE vis-a-vis third parties, and in particular the Public Administration, must possess a formal power of attorney and/or specific authorization to represent the company.

In particular, the system provides for the assignment of:

- powers of permanent representation, conferred through decisions of the Board of Directors and/or registered powers of attorney drawn up by a notary relating to the performance of activities connected with the permanent responsibilities existing in the corporate organization;
- registered powers of attorney drawn up by a notary relating to the performance of activities connected with the permanent responsibilities existing in the corporate organization;
- powers for single business operations, conferred by means of powers of attorney or other forms of delegation in relation to their content. The granting of such powers is regulated by the law, which defines the forms of representation in line with the types of individual act to be executed.

As per the existing service contract, the Legal Organizational Unit of Paul Wurth Italia deals with the notarial formalities for the conferment of the power of attorney, records the deed stipulated in progressive order and communicates to the new representative the fact that the conferment has taken place, the rules and any further limits on the exercise of the powers in a letter of instruction.

The Legal Organizational Unit of Paul Wurth Italia is also responsible for the necessary legal/executive steps in the case of revocation.

3. Management control. The management control system adopted by PWE is divided into the phases of preparing the annual budget, analysing the periodic financial statements and preparing forecasts. The system ensures that:

- a number of people are involved, so that functions for processing and transmitting information can be segregated as far as possible, taking into account the size of PWE;
- any critical situations may be promptly flagged as soon as they arise through an appropriate and timely system of information and reporting flows.

4. Cash flow management. This is based on principles involving a substantial segregation of functions in order to ensure, as far as possible considering the size of PWE, that expenditure is requested, made and controlled by independent functions or people who are as distinct as possible, who, moreover, are not assigned other responsibilities that may lead to potential conflicts of interest. Finally, cash is managed based on a policy of preserving equity, with a related prohibition on carrying out risky financial transactions.

5. Document management. All documentation, both internal and external, is managed using procedures that govern, as the case may be, the updating, distribution, recording, filing and security management of documents and records. When managing the documentation, particular attention is paid to the issue of privacy.

See Annex I and the dedicated sections of the Model below with regard to the Code of Ethics, the SC, the disciplinary system and the staff information and training system.

### 2.5 Amendments and additions to the Model

As this Model is a document issued by the executive body (in compliance with the provisions of Art. 6(1)(a), of the Decree), its adoption, as well as subsequent amendments and additions, are the responsibility of the Board of Directors. Minor amendments or additions to the Model may, however, be directly incorporated into the Model by the Supervisory Committee, just as changes/ additions to the Annexes of the Model, except for the Code of Ethics, must be made by the SC in a timely and autonomous manner.

## 3. SUPERVISORY COMMITTEE

### 3.1 Identification of the Supervisory Committee

The Board of Directors of PWE has conferred the status of Supervisory Committee to three members, thus qualifying as a corporate body.

In line with the Confindustria Guidelines, the Committee, taking into account the many responsibilities and activities that it must carry out on a daily basis, may, when performing its tasks, use any external consultants deemed useful, from time to time, for the performance of the activities required.

The SC shall report to the Board of Directors.

### 3.2 Functions and powers of the supervisory committee

The mission of the Supervisory Committee is to:

- verify and supervise the Model and its updating;
- promote information and training on the Model;
- manage information flows.

More specifically, the SC has the task of:

- periodically carrying out a survey of the activities of PWE with the aim of identifying the areas at risk of crime pursuant to Italian Legislative Decree 231/01 and proposing to the Board of Directors any updates and additions considered necessary;
- verifying the effectiveness of the Model pursuant to Italian Legislative Decree 231/01 in relation to the corporate structure and its practical ability to prevent the offences referred to in the Decree being committed, proposing any applicable updates to the Model;
- monitoring and assessing whether or not the Model continues to meet the requirements of soundness and efficiency, recommending all actions necessary to ensure its effectiveness;

- verifying, within the areas considered at risk of crime:
    - that the activities are performed in compliance with the Model adopted;
    - compliance with existing authorization and signatory powers and their consistency with the organizational and management responsibilities defined;
- defining and overseeing, in application of the Model, the information flow that allows the SC to be periodically updated on the activities assessed as being sensitive to the risk of crime, and establishing communication procedures, in order to acquire knowledge of any breaches of the Model;
- promoting, in agreement with the Human Resources Organizational Unit of Paul Wurth Italia, an adequate staff training process through suitable initiatives to disseminate knowledge and improve understanding of the Model;
- promoting and coordinating initiatives aimed at raising awareness of the Model and the procedures related to it by those who work on behalf of PWE.

In order to carry out the above requirements, the Committee is assigned the following powers:

- access to any document and/or information for the performance of the functions assigned to the Committee under the Decree;
- use of external consultants of proven professionalism in cases in which this becomes necessary to perform its activities;
- if necessary, direct contact with employees and the CEO;
- requesting information from associates, external consultants and partners.

As already mentioned, for a better and more efficient performance of the tasks and functions assigned to it, the Committee may make use of the resources of Paul Wurth Italia for the performance of its operational activities, on the basis of the pre-established contractual relationship.

### 3.3 Reporting by the Supervisory Committee to the Board of Directors

With regard to reporting, the PWE SC must send the Board of Directors:

- at least once a year, a written report concerning:
    - all activities performed during the period;
    - the criticalities that have emerged in terms of both internal conduct/events and the effectiveness of the Model;
    - alerts received during the reference period and the actions taken by the SC and by other interested parties in relation to them;
    - activities that could not be conducted for justified reasons of time and/or resources;
    - the implementation status of the Model, indicating the necessary and/or appropriate corrective actions and their level of implementation;
- the activity plan for the following year.

The Committee must immediately report to the Board of Directors on:

- any breach of the Model that is considered founded, which has been flagged by employees or ascertained by the Committee itself;
- organizational or procedural shortcomings that may create a real risk of crimes relevant to the Decree being committed;
- regulatory changes relevant to the implementation and effectiveness of the Model;
- non-cooperation by employees;
- existence of criminal proceedings against persons who operate on behalf of PWE, or of proceedings against them in relation to relevant offences under the Decree;
- outcome of checks carried out following the initiation of investigations by the judicial authorities into offences under the Decree;
- any other information deemed useful for urgent decisions to be made by the Board of Directors.

## 3.4 Information flow to the Supervisory Committee

Under Art. 6(2)(d) of the Decree, the Model must include obligations to provide information to the Supervisory Committee. This obligation is conceived as a tool to ensure supervision of the efficacy and effectiveness of the Model and for any subsequent assessment of how and why it was possible to commit the crimes laid out in the Decree, as well as to give greater authority to any requests for documentation that the Committee considers necessary to make during its audits.

### 3.4.1 Whistleblowing reports by staff of PWE or third parties pursuant to Italian Law no. 179 of 30 November 2017

All Recipients of the Model are required to report to the Supervisory Committee any information, of any kind, also from third parties, of which they have direct knowledge, relating to breaches of the Model or any other irregularities, addressing the communications to "Organismo di Vigilanza di Paul Wurth Energy", Via Balleydier n. 7 Genova, Italy.

To facilitate the flow of reports and information to the SC, a dedicated e-mail address has also been set up: pwen.odv231@paulwurth.com.

The above mailbox is accessible only to members of the Supervisory Committee.

Reports may relate to:

- crimes (as defined by Italian Legislative Decree 231/01) committed or actions taken to facilitate such crimes;
- conduct not in line with the rules of conduct established by this Model and the related procedures;
- particularly significant transactions or transactions with a risk profile that make it reasonable to deduce the danger of a crime being committed.

Reports of unlawful conduct must be detailed and based on precise and consistent facts, and may be made using the channels indicated.

In this regard, in accordance with the provisions of current legislation for the protection of the authors of reports of crimes or irregularities of which they have become aware within an employment relationship (“whistle-blowers"), the above reports may also be made via the electronic mailbox, which allows the identity of the whistle-blower to be kept secret.

The Supervisory Committee will take into consideration all the reports received, assessing any subsequent initiatives at its own reasonable discretion and under its responsibility. It may interview the author of the report and/or the person responsible for the alleged breach and must give written grounds for any decision taken.

The Company:

- requires the SC to handle the report in a confidential manner, so as to ensure the identity of the whistle-blower and other persons involved or referred to in the report is kept confidential, without prejudice to legal obligations and the protection of the rights of the Company or of persons wrongly accused and/or accused in bad faith;
- prohibits reprisals and protects bona fide whistle-blowers from direct or indirect retaliation, discrimination or punishment for reasons related to their whistleblowing.

The Company ensures that its staff are aware of the whistleblowing procedures and are able to use them, being aware of their rights and protections within the framework of the procedures adopted, through appropriate communication.

In the event of a breach of the measures for the protection of the whistle-blower, including by the Supervisory Committee, as well as unfounded reports made with wilful intent or gross negligence, the Company shall identify and apply the sanction deemed most appropriate to the circumstance.

### 3.4.2 Disclosure obligations

In addition to the whistleblowing reports referred to above, other information must be sent to the SC on an ad hoc or periodic basis.

#### 3.4.2.1 Specific disclosure obligations

The following information must be sent to the SC when the case arises:

- orders and/or notices issued by the courts or any other authority, from which it is possible to infer that investigations/assessments are being carried out, also against unknown persons, for the crimes or administrative offences referred to in the Decree; these are sent by the Legal Organizational Unit of Paul Wurth Italia

- requests for legal assistance made by executives and/or employees and/or by former executives and/or employees in the event of legal proceedings being initiated for the crimes covered by the Decree (for former executives and/or employees if the proceedings refer to actions taken during the period in which they were executives and/or employees); these are sent by the Legal Affairs Organizational Unit of Paul Wurth Italia:

- reports prepared by the CEO and the corporate functions at risk as part of control activities from which critical elements may emerge with respect to compliance with the provisions of the Decree (evidence sheet);

- disciplinary procedures conducted and any sanctions imposed or orders to dismiss such proceedings with the related grounds; these will be sent by the Human Resources Organizational Unit responsible for deciding whether or not to impose the sanction in the disciplinary proceedings.

#### 3.4.2.2 Periodic disclosure obligations

The following information must be periodically disclosed to the Committee:

- six-monthly report on the structure of powers and on the system of proxies adopted by PWE;
- six-monthly reports on any disputes:
    - criminal, civil and administrative disputes;
- six-monthly report on health and safety at work by the Health and Safety Officer (HSM-RSPP);
- annual environmental report.

To complete the periodic disclosures indicated in the previous paragraph, Evidence Sheets must be considered.

The CEO and the Managers of the various Business Units are the Internal Managers of the at-risk operations that they carry out, implement or manage, directly or indirectly, within the risk areas. For at-risk activities, they must send the SC a six-monthly Declaration on the exercise of the powers granted in line with the operating procedures and the provisions of the Model and the Code of Ethics. This Declaration refers to all crimes considered a potential risk and must be signed by all Internal Managers.

### 3.4.3 Collection, storage and access to the SC archive.

All information, alerts and reports provided for in the Model are kept by the SC in a special archive, access to which is permitted subject to the conditions set out in the Supervisory Committee's Rules.

## 4. STAFF TRAINING AND DISSEMINATION OF THE MODEL

### 4.1 Staff training

PWE promotes knowledge of the adoption of the Model, the protocols contained therein and their updates among employees and seconded workers (hereinafter "Personnel") who are therefore required to be familiar with their content, comply with them and contribute to their implementation.

In this context, PWE arranges information and training as follows:

- publication of the Model and the Code of Ethics on the intranet and on the website

- distribution of the Code of Ethics to current personnel and to new hires/seconded personnel at the time of recruitment/secondment;
- training courses on the content of Italian Legislative Decree 231/01, the Model and the Code of Ethics;
- e-mails or update notices on changes made to the Model or the Code of Ethics.

All training is managed by the Human Resources Organizational Unit of Paul Wurth Italia, in cooperation with the SC.

### 4.2 Information to external associates and partners

PWE also promotes knowledge of and compliance with the Model and the Code of Ethics among its partners, consultants, suppliers and associates in various capacities. This information is provided by sending a communication on the existence of the Model and the Code of Ethics, with an invitation to consult the website

## 5. DISCIPLINARY SYSTEM AND MEASURES IN THE EVENT OF FAILURE TO COMPLY WITH THE REQUIREMENTS OF THE MODEL

### 5.1 General principles

To ensure the effectiveness of the Model, it is essential to prepare an adequate system of sanctions for breaches of the prescriptions contained in the Model. Article 6(2)(e) of the Decree requires that Models "include an appropriate disciplinary system to sanction noncompliance with the measures indicated in the Model".

For the purposes of this disciplinary system, and in compliance with the provisions of collective bargaining agreements, where applicable, actions or conduct that breach the Model will be liable to sanctions.

Disciplinary sanctions are applied regardless of the initiation and/or outcome of any criminal proceedings, because PWE adopts the rules of conduct imposed by the Model in full autonomy, irrespective of the type of wrongdoing that any breach of the Model may involve.

The principles of proportionality and adequacy with regard to the alleged breach must be taken into account when identifying and applying sanctions. To this end, the following circumstances are relevant:

- the type of alleged wrongdoing;
- the actual circumstances in which the wrongdoing occurred;
- means of committing the wrongdoing;
- seriousness of the breach, also taking into account the subjective attitude of the offender;
- whether more than one breach is generated by the same conduct;
- any involvement of other people contributing to the breach;
- whether the wrongdoer is a repeat offender.

The disciplinary system will be constantly monitored by the SC and by the Human Resources Organizational Unit of Paul Wurth Italia.

## 5.2 Sanctions for employees

### 5.2.1 Office workers, Manual workers and Middle Management

Conduct by employees in breach of the individual rules of conduct set out in this Model constitutes a disciplinary offence.

The sanctions imposed against these employees fall within those provided for by the National Collective Agreement, in compliance with the procedures provided for in Article 7 of the Workers' Statute and any applicable special regulations.

In relation to the above, the Model refers to the categories of acts punishable under the existing system of sanctions. These categories describe the conduct sanctioned, according to the significance of each case considered, and the actual sanctions envisaged for committing these acts, according to their seriousness.

In particular, in compliance with the "Criteria for correlation between employee misconduct and disciplinary measures" contained in the current National Collective Bargaining Agreement for Metalworkers, it is envisaged that:

- a worker who breaches the provisions of the Model or whose conduct when performing activities in risk areas does not comply with the prescriptions of the Model shall be subject to a verbal reprimand, written warning, fine or suspension from work without pay, depending on the seriousness of the breach, said conduct being construed as a breach of contract which constitutes a disciplinary offence and causes moral damage to PWE;
- a worker whose conduct when performing activities in risk areas does not comply with the provisions of this Model and is unequivocally aimed at committing an offence sanctioned by the Decree shall be dismissed with notice, such conduct being construed as insubordinate with respect to the requirements set by PWE;
- a worker whose conduct when performing activities in risk areas clearly breaches the provisions of this Model, giving rise to the application to the Company of the measures provided under the Decree, shall be dismissed without notice, said misconduct being construed as exposing PWE to "serious moral and/or material harm".

### 5.2.2 Directors

Any Directors who breach any of the internal procedures required by this Model or whose conduct, when performing activities in risk areas does not comply with the provisions of the Model shall be subject to the application of the most suitable measures in compliance with the provisions of the National Collective Labour Agreement for Industrial Executives. Specifically:

- for a minor breach of one or more rules of procedure or conduct set out in the Model, directors shall be subject to a written warning to comply with the Model, a necessary condition to maintain the relationship of trust with PWE;

- for a serious breach of one or more provisions of the Model that constitutes relevant noncompliance, directors shall be subject to dismissal with notice;

for a breach of one or more provisions of the Model that is serious enough to irreparably compromise the relationship of trust, thereby making it impossible, even temporarily, to continue the employment relationship, workers shall be dismissed without notice.

### 5.3 Measures against seconded staff at PWE sites

In the event of infringement of the Model by a seconded person at a PWE site, the SC will inform the Seconding Company, which will take the most appropriate and adequate action in line with the seriousness of the breach.

### 5.4 Measures against associates, consultants, partners, counterparties and other external parties

Any conduct within the framework of a contractual relationship by associates, consultants, partners, counterparties and other external parties that goes against the rules of conduct indicated in this Model and in the Code of Ethics may lead, through the activation of appropriate clauses, to the termination of the contractual relationship.

### 5.5 Procedure for applying sanctions

The procedure for the imposition of sanctions following breach of the Model and the procedures differs for each category of recipients with regard to the stage:

- of notification of the breach to the person concerned;
- of determination and subsequent imposition of the penalty.

In any case, the application procedure begins following receipt of notification from the Supervisory Committee of a breach of the Model.

More precisely, in all cases where it receives a report (provided it is not received anonymously) or acquires, in the course of its supervisory activity, suitable evidence to suggest the danger of a breach of the Model, the SC is required to take action to carry out the checks and controls falling within the scope of its activity.

Once it has completed its audit, the SC assesses, on the basis of the elements in its possession, whether to take disciplinary action.

#### 5.5.1 Disciplinary proceedings against Office Workers, Manual Workers and Middle Management

The procedure for applying sanctions against office workers, manual workers and middle managers is carried out in compliance with the provisions of applicable law. In particular, the SC sends the Head of the Human Resources Organizational Unit of Paul Wurth Italia and the CEO a report containing:

- the details of the person responsible for the breach;

- a description of the alleged conduct;
- the provisions of the Model that have been breached;
- any documents or other proof supporting the complaint.

within ten days from the acquisition of the report, PWE, through the Head of the Human Resources Organizational Unit, sends the employee a written notice containing:

- a precise indication of the conduct observed;
- the provisions of the Model that have been breached;
- notice of their right to submit any written arguments and/or justifications within eight days of receipt of the communication, as well as to request the assistance of the representative of the trade union of which the employee is a member or which they have appointed to act on their behalf.

After any counter-arguments by the person concerned, the Head of the Human Resources Organizational Unit of Paul Wurth Italia shall decide whether or not to apply a sanction, establishing the extent thereof and stating the grounds for the disciplinary action.

Sanctions may not be applied until eight days have elapsed from receipt of the complaint and must be notified to the person concerned by the Manager of the Human Resources Organizational Unit of Paul Wurth Italia no later than eight days after the deadline set for the formulation of counter-arguments, except in particularly complex cases. The action taken is also communicated to the Supervisory Committee, which verifies the effective application of any sanction imposed.

The Employee, without prejudice to their right to bring proceedings before a court, may, within twenty days of receiving notification of the disciplinary action taken, request the formation of a Conciliation and Arbitration Board, in which case the sanction will be suspended until the final ruling.

### 5.5.2 Disciplinary proceedings against Directors

The procedure for investigating misconduct by Directors is carried out in compliance with current legislation and applicable collective agreements. In particular, the SC sends the CEO and the Head of the Human Resources Organizational Unit of Paul Wurth Italia a report containing:

- a description of the alleged conduct;
- the provisions of the Model that have been breached;
- the details of the person responsible for the breach;
- any documents proving the breach and/or other supporting evidence.

Within five days of receiving the SC's report, the Head of the Human Resources Organizational Unit of Paul Wurth Italia calls in the Director concerned by means of a notice of allegation containing:

- an indication of the alleged conduct and the provisions of the Model that have been breached;
- notice of the date of the hearing and the right of the person concerned to formulate, including at the hearing, any written or verbal comments on the facts.

The Head will then define the position of the person concerned, taking a reasoned decision on whether or not to impose a sanction.

In general terms, the person concerned is notified in writing of the imposition of the sanction within ten days of the complaint being sent or, in any case, within a shorter period that may be laid out in the collective bargaining agreement applicable to the specific case by the CEO or the Head of the Human Resources Organizational Unit of Paul Wurth Italia if it involves a top manager or, in the case in point, a Director, respectively. The SC, which is informed of the measures taken, verifies their application.

### 5.6 Proceedings against the third party recipients of the Model

In order to allow the actions provided for by the relevant contractual clauses to be taken, the Supervisory Committee shall send a report to the person managing the contractual relationship containing:

- the details of the person responsible for the breach;
- a description of the alleged conduct;
- the provisions of the Model that have been breached;
- any documents or other proof supporting the complaint.

The CEO shall send the person concerned a written communication containing an indication of the conduct identified and the provisions of the Model that have been breached, as well as an indication of the specific contractual clauses to be applied.

## 6. GENERAL RULES OF CONDUCT

The Model prohibits Recipients from engaging in any conduct that:

- may constitute any of the criminal offences considered at risk and indicated in the Special Section (even if only in the form of an attempt);
- although it does not constitute in itself any of the criminal offences referred to, it could potentially become one.
- is not compliant with PWE procedures or in any case is not in line with the principles expressed in this Model and in the Code of Ethics.

Recipients must therefore:

- behave in a fair, transparent and cooperative manner, in full compliance with the law, applicable national and international regulations, the Code of Ethics, the principles contained in this Model and company procedures;
- avoid taking actions - or inciting conduct - that directly or indirectly constitute(s) the criminal offences highlighted in the Special Section;
- conduct themselves in such a way as to guarantee the correct operation of PWE, ensuring and facilitating all forms of management control by the SC;
- constantly apply the rules of this Model and the Code of Ethics, keeping up to date with legislative developments;

- ensure that no relationship is initiated with persons or entities that do not intend to comply with the ethical principles of PWE;
- ascertain the identity of business counterparts, whether they are natural or juridical persons, and the parties on whose behalf they may act.

SPECIAL SECTION "A"

# Crimes against the Public Administration

# and corruption in the private sector

## A.1 TYPES OF CRIMES AGAINST THE PUBLIC ADMINISTRATION (ARTICLES 24 AND 25 OF THE DECREE) AND THE CRIME OF CORRUPTION IN THE PRIVATE SECTOR (ARTICLE 25-TER (S-BIS) OF THE DECREE)

Below is a brief description of the crimes envisaged in Articles 24 and 25 and Article 25-ter (s-bis) of the Decree.

### A.1.1 EMBEZZLEMENT AGAINST THE ITALIAN STATE (ARTICLE 316-BIS, CRIMINAL CODE)

This offence punishes the actions of anyone who, having obtained from the State, another public body or the European Union, financing, whatever its title, intended to facilitate the execution of works or activities of public interest, does not use it for its intended purpose.

This includes requesting and obtaining public funding for the Company to recruit personnel in protected categories or to refurbish buildings damaged by natural disasters that, once received, is not used for those purposes.

### A.1.2 UNDUE RECEIPT OF FUNDS DISBURSED BY THE ITALIAN STATE (ARTICLE 316-TER, CRIMINAL CODE)

This offence occurs when grants, financing, subsidized loans or other disbursements of this kind are received from the Italian State, from other public bodies or from the European Union as a result of the use or submission of false statements or documents, or failure to provide required information.

In this case, unlike the example in the prior point (Article 316-bis), it makes no difference how the public funding disbursed is used because the crime is committed when it is - unduly - received.

It should be noted that this offence, being of a secondary nature, arises only when the conduct does not provide sufficient grounds for the more serious crime of aggravated fraud to obtain public funds (Article 640-bis of the Criminal Code).

For example, this includes unduly obtaining public funding aimed at supporting business activities in certain sectors by attaching false invoices attesting to non-existent services, or through the production of documentation attesting to the existence of the requirements for obtaining funding.

### A.1.3 FRAUD (ARTICLE 640(2)(1), CRIMINAL CODE)

This offence occurs when subterfuge or deception is used to mislead someone in order to obtain unfair profit, to the detriment of the State, another public body or the European Union.

For example, it may be committed if, when preparing documents or data, untruthful information (e.g. backed by forged documents) is submitted to the Public Administration in order to secure a project. This might also include sending documentation containing false information to the tax authorities in order to obtain an undue tax refund; or, more generally, sending communications containing false data to social security bodies, local government or their branches to obtain any benefit or subsidy for the Company.

### A.1.4 AGGRAVATED FRAUD TO OBTAIN PUBLIC FUNDS (ARTICLE 640-BIS, CRIMINAL CODE)

This crime occurs if the fraudulent conduct described above involves public financing, however described, provided by the State, other public bodies or the European Union.

With regard to the material object of the crime, it should be noted that grants and subsidies are non-repayable sums, which may be of a periodic or one-off nature, based on a set amount or determined on the basis of variable parameters, linked to substance or quantity or purely at the discretion of the parties; public financing is based on a contract requiring the amounts to be used or returned or entailing other additional costs; subsidized loans are disbursements of cash with the obligation to repay the same amount, but with lower interest than market rates.

In any case, the regulations take into account all disbursements of cash made at better than market conditions.

This type of crime may occur when subterfuge or deception is used, for example by providing untruthful information or preparing false documents to obtain public funding for purposes such as research or to support employment, or to complete projects of public significance.

### A.1.5 CYBERCRIME (ARTICLE 640-TER, CRIMINAL CODE)

This kind of offence occurs when unlawful profit is fraudulently obtained by modifying the operation of a computer or telecommunication system, or interfering with the data stored therein, causing damage to the State or other public body.

This interference may take various forms: it may occur during data collection and input, during processing, and during issue. In all these cases, the physical perpetrator of the crime interferes with the correct operation of the computer memory in order to obtain illicit gain to the detriment of the State or another public body.

For example, this crime includes altering information concerning the accounting position of a contractual relationship with a public body, or distorting tax and/or social security figures contained in a database used by the Public Administration.

### A.1.6 NOTION OF PUBLIC OFFICIAL AND PUBLIC SERVANT (ARTICLES 357 AND 358, 322-BIS, CRIMINAL CODE)

The notions of public official and public servant, persons involved in crimes of extortion and corruption, must be defined before analysing these crimes.

In particular, public officials or public servants are defined as follows:

1. persons who perform a public legislative or administrative function, including:
    - members of parliament and of the government;
    - regional councillors;
    - members of the European Parliament and of the Council of Europe;
    - persons who perform ancillary functions (officers in charge of the storage of parliamentary documents, the drafting of shorthand reports, finance clerks, technicians, etc.);

2. persons who perform a public legal function, including:
    - magistrates (ordinary magistracy of law courts, Courts of Appeal, Supreme Court of Cassation, High Court of Water, TAR, Council of State, Constitutional Court, military courts, lay magistrates of Courts of Assizes, justices of the peace, honorary deputy magistrates and associates, members of formal arbitration panels and parliamentary committees of inquiry, magistrates of the European Court of Justice, and of the various international courts, etc.);
    - persons who perform associated functions (criminal investigation department, Guardia di Finanza (finance police), Carabinieri (military police), registrars, secretaries, court officers and bailiffs, witnesses, court ushers, receivers, operators responsible for issuing certificates at court registrars' offices, experts and advisors of the Public Prosecutor, liquidators in bankruptcy proceedings, liquidators in compositions with creditors, extraordinary administrators of large companies in crisis, etc.);
3. persons who perform a public administrative function, including:
    - employees of the Italian State, of international and foreign organizations and of local authorities (e.g. officers and employees of the State, the European Union, supranational bodies, foreign States and local authorities, including regions, municipalities and mountain communities); persons who perform ancillary functions to the institutional purposes of the State, such as members of the municipal technical department, members of the building commission, head of the administrative department of the amnesties office, municipal ushers, personnel responsible for procedures concerning the occupation of public land, municipal correspondents in the employment office, employees of state-owned companies and municipalized companies; persons in charge of tax collection, public healthcare personnel, staff of ministries, superintendencies, etc.);
    - employees of other national and international public bodies (e.g. officers and employees of the Italian Chamber of Commerce, the Bank of Italy, the Supervisory Authorities, public social security institutions, ISTAT, the UN, the FAO, etc.);
    - private operators performing public functions or public services (e.g. notaries, private entities operating as concessionaires or whose activity is in any case governed by public law or who carry out activities of public interest or are wholly or partly controlled by the State, etc.).

Public officials and public servants are identified not on the basis of the criterion of belonging to or being employed by a public body, but with reference to the kind of activity they actually perform, namely, public function and public service, respectively.

A person outside the Public Administration (PA) may therefore be classified as a public official or public servant when they perform any one of the activities defined as such in Articles 357 and 358 of the Italian Criminal Code (e.g. bank employees who are entrusted with tasks falling within the definition of "public service").

Moreover, under Article 322-bis, liability for the crimes of corruption and extortion and other crimes against the PA is also extended to cases where the wrongdoing involves:

- a member of the European Commission, European Parliament, European Court of Justice or European Court of Auditors;
- an EU official or agent or a person who performs equivalent functions;
- any person seconded to the EU by the Member States or by any public or private body, who carries out functions equivalent to those performed by EU officials or other agents;
- members and employees of bodies created on the basis of the Treaties which established the European Union;
- a person who, within other Member States of the European Union, carries out functions or activities equivalent to those performed by public officials or public servants;
- a judge, a prosecutor, an assistant prosecutor, an official and agent of the International Criminal Court, a person seconded by States party to the Treaty establishing the International Criminal Court who carries out functions equivalent to those performed by officials or agents of the Court, a member or employee of any body constituted on the basis of the Treaty establishing the International Criminal Court;
- a person who carries out functions or activities equivalent to those performed by public officials or public servants within foreign States not belonging to the European Union or international public organizations.

### A.1.7 EXTORTION (ARTICLE 317, CRIMINAL CODE)

This crime is committed when a public official or a public servant abuses their position or powers to force someone to give or promise them or others money or other benefits.

The risk posed by this crime is low for the purposes of Italian Legislative Decree 231/01: indeed, since this is a crime of qualified persons, the Organization's liability only arises if, in the interest of or to the advantage of the Company, one of its employees or representatives is party to the crime committed by the public official or public servant, who takes advantage of their position to solicit unlawful favours; or if the company representative actually performs public duties or public services and, as such, abuses their position for the Company's advantage.

### A.1.8 CORRUPTION (ARTICLES 318-319-320, CRIMINAL CODE)

This crime occurs when a public official or public servant solicits or receives money or other benefits, or the promise thereof for themselves or for a third party, to carry out, refrain from or delay the execution of their official duties or to perform acts that conflict with their official duties.

The crime also occurs if the undue offer or promise is made with reference to acts - in accordance with or contrary to the duties of their office - already performed by the public representative.

The crime therefore exists both if the public official is paid to perform an act in the course of their official duties (e.g. fast-tracking a case under their responsibility), and if they do something in breach of their official duties (e.g. assuring the awarding of a contract in a tendering procedure).

This type of crime differs from extortion because there is an agreement between the corrupted and the corrupting party aimed at achieving mutual benefit, while in extortion the public official imposes the conduct on the private party.

In compliance with Article 321, Criminal Code, the penalties envisaged for public officials and public servants also apply to the individuals who give or promise money or other benefits to those public officials and servants.

### A.1.9 CORRUPTION IN LEGAL PROCEEDINGS (ARTICLE 319-TER, CRIMINAL CODE)

The offence is committed when someone offers or promises cash or other benefits to a public official or public servant to favour or damage a party in civil, criminal or administrative proceedings.

The Company may therefore be held liable for the offence if, being a party to legal proceedings, it bribes (including through a third party, such as its defence counsel) a public official (not only a judge, but also a registrar or other officer, or a witness) in order to obtain a favourable ruling.

### A.1.10 UNLAWFUL INCITEMENT TO GIVE OR PROMISE BENEFITS (ARTICLE 319-QUATER, CRIMINAL CODE)

This crime is committed when a public official or public servant abuses their position or powers to induce someone to unduly give or promise money or other benefits to them or to a third party.

The law sanctions not only the public official or public servant, but also the person who gives or promises money or other benefits.

This crime differs from extortion, in that the person incited is no longer considered a victim, but a co-perpetrator of the crime, pursuing an illegitimate result in their favour.

### A.1.11 INDUCEMENT TO CORRUPTION (ARTICLE 322, CRIMINAL CODE)

The penalty for this offence applies to anyone who offers or promises money to a public official or a public servant to perform their duties or powers or to omit or delay an official act or to perform an act in breach of their official duties, if the promise or offer is not accepted. Likewise, the conduct of a public servant who solicits a promise or offer from a private individual is punished.

### A.1.12 CORRUPTION IN THE PRIVATE SECTOR (ARTICLE 2635, CIVIL CODE)

Unless the act constitutes a more serious offence, the provision punishes directors, general managers, managers responsible for preparing the company's financial reports, auditors and liquidators, companies or private entities that, even through a third party, solicit or receive, for themselves or for others, undue money or other benefits, or accept the promise, to perform or omit an act in violation of the obligations inherent in their office or the obligations of loyalty.

The offence is also punishable if committed by a person within the organization of the company or private body who exercises management functions other than those of the persons referred to in the previous paragraph or by a person subject to the management or supervision of one of the persons referred to in the first paragraph.

This crime therefore occurs when the Company, in order to make a profit, corrupts a person (whether senior or not) of a private company.

### A.1.13 INFLUENCE PEDDLING (ARTICLE 346-BIS, CRIMINAL CODE)

Anyone who, with the exception of cases of complicity in the crimes referred to in Articles 318, 319, 319-ter and in the corruption offences referred to in Article 322-bis, by exploiting or boasting existing or alleged relationships with a public official or a public servant or one of the other subjects referred to in Article 322-bis, unduly obtains money or other benefits, or the promise of such money or other benefits, for themselves or others, as the price of their unlawful mediation with a public official or a public servant or one of the other persons referred to in Article 322-bis, or to remunerate them for the exercise of their functions or powers, is punishable by imprisonment from one year to four years and six months. The same penalty applies to those who unduly give or promise money or other benefits. The penalty is increased if the person who unduly obtains money or other benefits, for themselves or others, is a public official or a public servant. Penalties are also increased if the acts are committed in connection with the exercise of judicial activities or to remunerate the public official or public servant or one of the other persons referred to in Article 322-bis in connection with the performance of an act contrary to their official duties or the omission or delay of an act required by their official duties. If the facts are particularly difficult to establish, the penalty is reduced.

## A.2 RISK AREAS

The offences considered above presuppose the establishment of direct or indirect relations with the Public Administration (in the broad sense and including the Public Administration of foreign States), as well as with private individuals/entities with regard to the crime of corruption in the private sector.

All areas in which the company's Organizational Units, in order to carry out their activities, have relations with public administrations and/or private individuals/entities, are therefore defined as risk areas. Areas that manage financial instruments and/or substitute means and which, therefore, although not entailing direct relations with the Public Administration and/or the private sector, may support those committing the above crimes, are also defined as risk areas.

Taking into account the multiplicity of relationships that PWE has with Public Administrations in Italy and abroad and with private parties, the following areas of activity have been identified as being most at risk:

Crime risk areas:

1. Sales and contract management activities
2. Management of relations with public institutions and bodies
3. Health and safety management
4. Environmental management
5. Procurement and tendering
6. Personnel selection, management, incentivization and development

7. Cash flow management

For each of the above crime risk areas, the methods by which such offences may be committed are commented upon below - in summary form and by way of example only.

### A.2.1 SALES AND CONTRACT MANAGEMENT ACTIVITIES

The risk area under analysis includes the following main sensitive activities:

- budgeting;
- development of the technical part of the order, through the design of the product and the preparation of the necessary documentation for its realization;
- receipt/issue of any claims made by/against suppliers and identification of possible solutions;
- management of the relationship with the customer for all that concerns the progress of the work;
- preparation of contractual documentation/reporting for the customer;
- testing and preparation of the relevant documentation;
- delivery of the product to the customer;
- management of nonconformities and issue of related reports;
- preparation of the physical progress plan for the job order and its updating;
- control of the cost accounting process and periodic review of the estimated margins/cost to finish;
- obtaining authorization to issue an invoice;
- activation of the billing process, issue and recording of invoices;
- preparation and updating of reports on invoicing and collections;
- identification of potential partners and definition of agreements with them.

The activities under consideration may have different hypothetical risk profiles. In fact, in the sales phase, bribery and corruption, both of persons in the Public Administration and of private persons, as well as inducement to corruption of public persons, could take place to obtain favours in pursuit of corporate activities (e.g.: promise of money or other benefits to a public official or private person affected by the corrupt act, in order to acquire orders/contracts with the Public Administration or with the private individual).

Also in the sales phase, untruthful documentation could be prepared at the bid stage, for example by indicating untruthful technical aspects or references that do not exist; undue inducement to give or promise benefits arises, on the other hand, (hypothetically speaking) when a public official or a public servant induces the Company to give or promise them money or other benefits, in order to obtain the award of a contract with the Public Administration.

The same offences arise during the management phase of the order, in which PWE could commit the offences of corruption, inducement to corruption and fraud, as well as undue inducement to

give or promise benefits. The main ways of committing such offences may be identified in the abstract as:

- falsification, alteration and omission of data in documents, in order to obtain undue validation of activities;

- undue payment or promise of payment to the PA of sums of money or substitute means in order to obtain the programme validation;

- falsification, alteration and omission of periodic reports to be issued to the PA, in order to obtain approval for the achievement of the contractual milestones.

The offence of undue inducement to give or promise benefits could arise where a public official or public servant of the Client induces the Company to give or promise him/her money or other benefits, for the purposes indicated above.

In addition, the offence of bribery between private parties could be committed if, for example, a PWE contact person bribes a private customer contact person to accept work of lower quality than expected or to recognise greater work for PWE even if it has not been carried out, causing harm to the client company.

### A.2.2 MANAGEMENT OF RELATIONS WITH PUBLIC INSTITUTIONS AND BODIES

The activity carried out by the Company involves maintaining constant contact with the Public Administration, including, but not limited to, the following:

- requests for occasional/ad hoc administrative measures necessary to carry out essential activities for the company's typical areas of business and requests for authorizations and licences (e.g. in the field of personnel, safety and the environment);

- management of relations with the institutions;

- management of social security contributions and preparation of tax returns;

- management of personnel recruitment, with particular reference to personnel in protected categories or whose recruitment is subsidized;

- management of Privacy Law requirements and inspections (Legislative Decree no. 196/2003);

- management of national and international corporate taxation and of any inspections by the competent authority;

- management of INAIL, INPS and Labour Inspectorate inspections;

- management of activities connected with the execution of board and shareholders' meeting resolutions involving the fulfilment of obligations towards Public Administrations;

- management of any inspections connected with the preparation/updating of the documentation required by law (e.g. risk analysis document) and carrying out of the relative activities required in terms of health and safety at work (e.g. medical examinations, adequate training and information for employees, etc.) and monitoring of the effective application of the relevant company regulations;

- management of any checks on compliance with environmental legislation.

The management of relations with the PA exposes the Company to the potential risk of committing or contributing to the crimes of:

- extortion (for example where an employee, in the interest or to the advantage of the Company, aids and abets the offence of a public official who, by taking advantage of his position, forces the contractor to make undue payments);

- corruption and inducement to corruption (e.g. by giving or promising money or other benefits), including through third parties, to:

  - PA officials, to stop them from issuing measures/sanctions against the Company;
  - public agents, with a view to obtaining or giving functional authorization for the implementation of a project or for the production of an asset of interest to the Company);

- fraud and aggravated fraud in order to obtain public funds (e.g. by altering the content - in terms of incompleteness, inaccuracy, etc. - of documentation intended for the Public Administration - local administrations, social security bodies, financial administrations, etc. - with a view to obtaining benefits for the Company);

- undue inducement to give or promise benefits (where a public official or a public servant induces the Company to give them or promise them money or other benefits in order to obtain an undue advantage, such as the non-application of a sanction).

### A.2.3 MANAGEMENT OF HEALTH AND SAFETY IN THE WORKPLACE

The precise framework of regulations on health and safety at work makes it necessary for those appointed by the Company to oversee fulfilment of the many legal requirements to have frequent contact with the supervisory bodies, both when applying for authorizations and when carrying out inspections, visits or checks, in particular when:

- preparing/updating the documentation required by law (e.g. risk analysis document) and carrying out the required related activities (e.g. medical examinations, adequate training and information for employees, etc.);

- managing occupational health and safety inspections.

The main ways of committing crimes of corruption fraud and undue inducement to give or promise benefits can be identified in the abstract as:

- falsification, alteration and omission of data in documents in order to obtain undue validation of activities;

- undue payment or promise of payment to the PA of sums of money or substitute means to avoid sanctions following inspection visits.

### A.2.4 ENVIRONMENTAL MANAGEMENT

The precise framework of environmental regulations makes it necessary for those appointed by the Company to oversee fulfilment of the many legal requirements to have frequent contact with

the supervisory bodies, both when applying for authorizations and when carrying out inspections, visits or checks, in particular when:

- managing any checks on compliance with environmental legislation;

- requesting amendments, additions and cessation of authorization measures;

- communicating with the competent authorities/submitting documents in accordance with the requirements of the permits.

The main ways of committing crimes of corruption fraud and undue inducement to give or promise benefits can be identified in the abstract as:

- falsification, alteration and omission of data in documents in order to obtain undue validation of activities;

- undue payment or promise of payment to the PA of sums of money or substitute means to avoid sanctions following inspection visits.

### A.2.5 PROCUREMENT AND TENDERING

The activities identified by the Company as being at potential risk in the process of procurement of goods and management of the tendering process are:

- activation of the procurement process for the material / professional services required for the realization of the product / service delivery and definition of the supply specifications (quantity, time and quality);

- creation, authorization and issue of the purchase requisition;

- scouting in the market for potential suppliers (national and international) and assessment of the requirements in order to qualify the most suitable suppliers;

- receipt of bids and technical evaluation with the Requesting Unit;

- management of economic negotiations with suppliers, after approval of the technical aspects by the Requesting Unit;

- selection of the supplier and formalization of the supply relationship (purchase order, contract, agreements, framework contract, etc.);

- management of supply monitoring and control activities;

- technical approval of the supplies and evaluation of the supplier's performance (type, quantity, timing, etc.), if necessary arranging for the issue of a Nonconformity Report;

- verification by the requesting Organizational Unit of the effective provision of professional services;

- receipt/issue of any claims made by/against suppliers and identification of possible solutions;

- receipt of invoices for payment and verification of compliance with the conditions laid down in the order;

- authorization to pay suppliers.

The process of managing procurement and contracts and the related settlement of invoices is one of the potential ways in which, in principle, the crimes of corruption, incitement to corruption and corruption in the private sector can be committed.

The offence of corruption could, in fact, be committed in the abstract through a non-transparent management of the supplier selection process (for example, creating funds by contracting for services at prices higher than market prices or by assigning tasks to persons or companies close to or desired by public or private persons, in order to obtain favours in the context of company activities).

Therefore, the issue of purchase orders may be instrumental to the payment of undue benefits to public officials or public servants or private individuals: think, for example, of the attribution of a fictitious purchase contract - and payment of the relative fee - to a public agent or a private individual (or their family members or related parties) as payment for undue favours or to obtain an undue advantage.

In addition, the Company could in theory use the issue of purchase orders for fictitious goods/services:

- to establish undue financial provisions for use in the bribery of public agents or private persons;

- as a form of remuneration for undue services provided by public officials or private parties (e.g. entering into a contract in favour of a family member of a public official or a private party, as payment for the latter's involvement in a matter relating to the Company).

Finally, particular attention must also be paid to the award of purchase contracts to third parties who could - in order to benefit their business - use part of the agreed remuneration to give undue advantages to public officials or private parties and in the interest of the Company (in the case of private parties with consequent damage to the Company to which the corrupt person belongs).

### A.2.6 PERSONNEL SELECTION, MANAGEMENT, INCENTIVIZATION AND DEVELOPMENT

The activities identified by the Company as potentially risky in the process of personnel selection, management, incentivization and development are:

- screening of CVs on the basis of experience and skills acquired;

- conduct of the first motivational interview and preparation of an initial evaluation;

- organization of the second technical interview with the heads of the requesting units;

- second technical interview with the requesting units;

- preparation of the final evaluation;

- recruitment of the identified resource and filing of the selection documentation (CV with attachments showing exam/test results) and the recruitment letter;

- selection of project staff/interns;

- management of staff recruitment, with particular reference to personnel in protected categories or whose recruitment is subsidized, or personnel from third countries;

- management of relations with universities/research centres for the activation of agreements, for example, for internships/research doctorates;

- management of personnel master data and books required by law (staff number, accidents);

- definition of career plans for staff and management of promotions, regrading, etc.

- definition of incentive systems (salary/bonus variables, one-off measures, etc.);

- carrying out of evaluations of company resources;

- payment of wages and salaries and bonuses/lump-sums to employees.

The process of selecting and hiring personnel is, in theory, one of the ways in which, in principle, the offences of corruption, inducement to corruption and corruption in the private sector could be committed in order to obtain favours in the performance of company activities (e.g.: acquisition of orders/contracts from the Public Administration or from private parties, obtaining authorizations from public entities, etc.), for example, by hiring someone who is “close to" or “desirable" to public or similar parties or private individuals, not based on strictly meritocratic criteria.

The process of personnel management, incentivization and development is, in the abstract, another way in which, in principle, the offences of corruption, inducement to corruption and corruption in the private sector could be committed. In this regard:

- the definition of incentive policies could, in fact, provide potential support for the crime of corruption of public officials or public servants and the crime of corruption in the private sector, in order to obtain favours in the context of performance of corporate activities (e.g.: acquisition of orders/contracts from the Public Administration or from private parties, obtaining authorizations from public parties, etc.) through the recognition of "forged/inflated" MBOs in order to make available sums of money that can be used for corrupt purposes;

- personnel development could, in fact, provide potential support for the crime of corruption of public officials or public servants and the crime of corruption in the private sector, in order to obtain favours in the context of performance of corporate activities (e.g.: acquisition of orders/contracts from the Public Administration or from private parties, obtaining authorizations from public parties, etc.) through the recognition of promotions/career advancements/wage increases/fringe benefits to personnel “close to" or “desirable" to public or similar parties or to private parties, not based on strictly meritocratic criteria.

Therefore, the process of personnel assessment and incentivization and, more generally, personnel management may present risk profiles where, for example:

- undue or unearned professional privileges or advantages are granted to a relative (or favoured person) of a public official or a private individual, and linked to the interest of the public official or of the private individual in a practice of interest to the Company;

- bonuses/incentives are assigned to employees that are disproportionate to the fixed part of their compensation (or linked to a specific objective, such as obtaining a specific contract), as this could lead employees to commit acts of corruption in order to achieve their objectives;

- "unjustified" bonuses/incentives are paid in order to make available sums of money that can be used for corrupt purposes either directly through the crediting by the employee of the sum, or part of it, to an account in the name of a foreign company owned by a public official or private individual, or indirectly through the creation of hidden funds available to the Company.

### A.2.7 CASH FLOW MANAGEMENT

The activities that the Company has identified as potentially at risk in the management of cash flows are:

- reporting and reconciliation of financial/treasury transactions;
- processing and control of wages/fees/contributions and related deductions and production of all the documentation required by law (both for third parties and for employees);
- preparation of salary bank transfer letters, payment of charges, contributions and tax deductions and their delivery to the treasury;
- preparation and authorization of bank transfers;
- management of cash purchases;
- management of purchases using company credit cards;
- management of travel expense reimbursements.

The management of the activities in question could, in theory, be used to commit crimes of corruption, inducement to corruption and corruption in the private sector, as a lack of transparency and incorrect management of monetary and financial flows, could lead to the establishment of “funding" for the implementation of unlawful conduct including, typically, corruption (for example, through the use of current accounts to make available sums of money, the payment of fictitious invoices in order to create “funds", payment of fictitious reimbursements of expenses or advances in whole or in part, the use of cash sums in order to obtain “funds", the establishment of provisions against false invoices, in whole or in part, the improper management of entertainment and hospitality expenses as a potential tool through which to make available financial resources, the granting of hospitality expenses to public or similar entities or to private parties in order to obtain in exchange advantages, preferential treatment, failure to apply penalties, etc.).

Furthermore, the activities linked to accounting for customers and suppliers identified as related parties, even if not involving direct relations with the Public Administration and/or private parties, may form a basis for the creation, through accounting devices (invoicing for non-existent services, overvaluation of the Company's assets, creation of fictitious debts to the Parent Company, etc.), of hidden funds intended for the attribution of undue benefits to public agents or private individuals.

Particular attention must therefore be paid first of all to the definition of financial policies, so that through these it is possible to find evidence of the legitimacy of choices made for the allocation of company resources, also with a view to subsequent verification as to their actual use.

Other examples of corruption in the private sector are cases where the Company bribes the insurance company, to obtain better terms and/or the issue of a guarantee that would not have been given, i.e. it bribes the representative of a bank/financial institution in order to obtain better

terms or credit facilities that would otherwise not have been granted, or not to have a loan revoked when the covenants have been breached, etc. It should be noted, however, that when performing certain activities (such as the management of subsidized loans), banks and credit institutions have sometimes been equated with the Public Administration: in this case there would be no crime of corruption in the private sector, but instead the crimes of corruption provided for in the context of crimes against the PA.

## A.3 RECIPIENTS OF THE SPECIAL SECTION - GENERAL RULES OF CONDUCT AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN RISK AREAS

This Special Section refers to the conduct of directors, managers and employees operating in risk areas, as well as external consultants and partners, as already defined in the General Section (hereinafter, all defined as "Recipients").

This Special Section expressly prohibits recipients who work in risk areas from engaging in conduct that:

- constitutes any of the criminal offences considered above (Articles 24 and 25 and 25-ter, s-bis of the Decree);
- while not one of the crimes described above, could potentially become one;
- is not compliant with company procedures or in any case not in line with the workplace health and safety principles set out in this Model and in the Code of Ethics.
- promotes any situation of conflict of interest vis-à-vis the Public Administration or a private individual in relation to the provisions of the foregoing offences.

As part of the above it is specifically forbidden to:

- make cash payments to public officers or private individuals;
- promise or offer, including through a third party, money, goods or other benefits to public officials or public servants or private individuals, in relation to the performance of official acts;
- distribute or receive gifts and gratuities to acquire preferential treatment in the conduct of any business activity. In particular, no gift of any kind may be dispensed to Italian and foreign public officers or private individuals (even in those Countries where dispensing gifts is common practice) or to their family members, which may affect the independence of their judgment or secure any advantage for the Company. Only gifts of low value are allowed. Gifts received – except those of modest value – must be adequately recorded to allow the appropriate checks;
- grant other advantages of any kind (promises of employment, use of company assets, etc.) in favour of public officials or public servants or private individuals that may have the same consequences as those set out in the previous point;
- give loans to partners and/or associates that are not justified in the context of the partnership set up with them;
- pay remuneration to external consultants that is not adequately justified in relation to the type of assignment carried out and current local practice;

- exert undue pressure on or solicit public agents or private individuals to secure the performance of actions relating to their office;
- submit untruthful declarations to Italian or EU public organizations in order to obtain public funds, grants or subsidized loans;
- use disbursements, grants or financing received from Italian or EU public organizations for anything other than their intended purposes.

For the purposes of implementing the above conduct:

- relations with the PA and/or private parties for activities at risk must be managed and outlined in the Periodic Declarations by the internal managers of the potential crime risk areas;
- agreements with Partners and/or other third parties shall be defined in writing, highlighting all the conditions of the agreement - in particular as regards the agreed economic conditions - and verified and approved according to the current procedures and in compliance with the powers conferred;
- those performing functions of control and supervision over obligations connected with the performance of these activities (payment of invoices, use of financing obtained from the State or EU bodies, etc.) must pay particular attention to fulfilment of these obligations and immediately report any irregular situations to the Supervisory Committee;
- relations with the Parent Company must be managed in compliance with the principles of management autonomy, correctness, transparency and effectiveness;
- the activities connected with the management of corporate affairs shall be regulated in such a way as to highlight, among other things, the roles and responsibilities of the persons involved;
- any situations of uncertainty regarding the conduct to be adopted (also due to any unlawful or simply improper conduct by the public agent), interpretation of the regulations in force and internal procedures must be submitted for the attention of the line manager and/or the Supervisory Committee.

When engaging in and managing any relationship with the Public Administration and/or private parties, Recipients must comply with the following principles:

- respect for the principles of fairness and transparency and guaranteeing the integrity and reputation of the parties;
- observance of the laws, regulations in force, ethical principles and existing procedures;
- traceability and documentation of relations with public officials;
- signing of agreements in accordance with the powers conferred;
- management of relations with the Public Administration by those who have the power or have been authorized by those with the power;
- complete respect for areas of responsibility within the company and the existing system of powers of attorney, also with reference to functional spending limits and procedures for managing financial resources;

- correct use of IT procedures, taking into account the most advanced technologies acquired in this sector;
- timely reporting of any issues to the relevant Organizational Units and to the Supervisory Committee.

With reference to negotiations:

- when negotiating with the Public Administration or with private parties, it is necessary to avoid exerting any type of pressure or, in any case, unduly influencing the choice of the counterparty;
- when implementing contractual relationships, conduct must be uniformly based on absolute fairness and integrity, scrupulously fulfilling the obligations assumed. Any problem or difficulty of any kind in the execution, including any non-fulfilment or partial fulfilment of contractual obligations, must be highlighted in writing and managed by the relevant functions in accordance with the contractual agreements, as well as in compliance with the law and other applicable regulations.

In terms of management of relations with the judicial, administrative, financial and supervisory authorities, for the purposes of managing disputes, as well as requests for and management of authorizations, licences and administrative concessions:

- the relationships in question must be managed exclusively by the authorized functions;
- the choice of consultants must be based on criteria of professional reliability and competency;
- the consultant must be familiar with the Code of Ethics of the Company and accept and agree to comply with its provisions;
- the activity carried out by the consultants must be duly documented and the Body that used the work must certify the effectiveness of the service before the related fees are paid;
- the payment of fees to consultants must be based on a description of the activities carried out, which makes it possible to assess the consistency of the fee with the value of the service rendered;
- procedures relating to the issue and management of licences, authorizations or concessions, as well as relations with the authorities and with public officials performing judicial, inspection or supervisory functions, or functions in any way connected with administrative or judicial litigation, must be handled exclusively by the competent functions and must be based on the utmost transparency, fairness and cooperation, in compliance with the laws and other regulations in force on the subject. In particular, it is necessary to avoid exerting any kind of pressure or otherwise unduly influencing the decisions of these bodies;
- business activities must be carried out within the limits of the concession, authorization or licence obtained. Any problems or difficulties of any kind must be highlighted in writing and managed by the authorized Organizational Units in compliance with the law and other applicable regulations and company procedures.

With reference to instrumental activities:

- every act of the Company must be authorized in advance by the relevant offices, guaranteeing its compliance with the interests of the Company, the adequacy of the cost, the actual and complete use of the sums disbursed and full compliance with company procedures;
- the selection of personnel must take place in compliance with the company procedure and ensure that the evaluation of candidates is carried out by different Organizational Units and in compliance with the following principles:
    - the effective need for new resources;
    - after obtaining the candidate's CV and carrying out aptitude interviews, during which the candidate must be asked to sign a letter confirming the absence of any conflicts of interest;
    - comparative assessment based on the criteria of professionalism, preparation and aptitude in relation to the tasks being recruited for;
- the choice of suppliers/consultants must be made based on criteria of reliability and competence of the professional and in compliance with company procedures;
- the consultant must be familiar with the Code of Ethics of the Company and agree to comply with its provisions;
- purchase contracts/orders with suppliers/consultants must contain the disciplinary/contractual sanctions provided for in the event of failure to comply with the indications of the Model;
- the supplier/consultant must sign a declaration regarding the absence of conflicts of interest and acceptance of the Code of Ethics;
- the activity carried out by the supplier/consultant must be duly documented and the Body that used of their work must certify the effectiveness of the service before the related fees are paid;
- cash outflows must be authorized in accordance with the Company's powers of attorney and managed in accordance with the Company's procedures;
- company objectives and the related incentive programmes must be determined in compliance with the company procedure and the principles of fairness and balance, not identifying objectives which are excessively ambitious and/or difficult to achieve through ordinary operations and which may lead to inappropriate behaviour.

## A.4 INDIVIDUAL RISK OPERATIONS

Operations carried out in areas where there is a risk of a crime being committed (crime-risk areas) must be duly shown in this special section.

To this end, any transactions with the Public Administration and/or private parties must be brought to the attention of the SC by the Chief Executive Officer by compiling an Evidence Sheet to be updated on a half-yearly basis which shows that:

- the Chief Executive Officer is fully aware of the requirements to be met and the obligations to be fulfilled when performing the operations and has not committed any relevant crimes pursuant to Decree 231/01;
- an indication of the PA and/or private individual with whom the transactions, meetings and/or activities - considered “risk operations" - took place during the period under review.

## A.5 PROCEDURES TO BE FOLLOWED IN RISK AREAS

All areas identified as risk areas are monitored by procedures, breach of which is considered a breach of the Model and must therefore be reported to the Supervisory Committee so that it may ascertain and then assess the seriousness, proposing, if necessary, the application of sanctions. The corporate procedures to be followed in the risk areas identified in this Special Section are set out below:

- PWITINS101 Specific Requirements – Sales;
- PWITINS501 Specific Requirements – Procurement;
- PWITINS911R00 Relations with the Public Administration;
- PWITINS912R00 Appointment of commercial agents/consultants;
- PWITINS913R00 - Management of bank transfers;
- PWITINS914R00 Cash in hand procedure;
- PWITINS915R00 Preparation of the financial statements.

SPECIAL SECTION "B"

# Crimes related to Health and Safety at Work

## B.1 THE TYPES OF CRIMES RELATED TO HEALTH AND SAFETY AT WORK (Article 25-septies of the Decree)

Article 25-septies of Italian Legislative Decree 231/2001, as currently formulated, provides for administrative sanctions for legal persons in the case of murder or negligent injury committed in breach of the regulations on health and safety at work. In particular, the text of Article 25-septies currently cites "Manslaughter and serious or grievous bodily harm committed in breach of workplace health and safety regulations".

1. In relation to the crime referred to in Article 589 of the Italian Criminal Code, committed in breach of Article 55(2) of the legislative decree implementing the provisions of Italian Law 123 of 2007 on health and safety at work, a fine of 1,000 units is applied. In the case of conviction for the crime referred to in the previous period, the disqualification sanctions referred to in Article 9(2) are applied for a duration of not less than three months and not more than one year.

2. Without prejudice to the provisions of paragraph 1, in relation to the crime referred to in Article 589 of the Criminal Code, committed in breach of the regulations on the protection of health and safety at work, a fine of no less than 250 units and no more than 500 units is applied. In the case of a conviction for the crime indicated in the previous point, the disqualification sanctions contained in Article 9(2) are applied to the Organization for a period of not more than one year.

3. In relation to the crime referred to in Article 590(3) of the criminal code, committed in breach of the regulations on the protection of health and safety at work, a fine of no more than 250 units is applied. In the case of conviction for the offence indicated in the previous point, the disqualification sanctions referred to in Article 9(2) are applied for a period of not more than six months"

Below is a brief description of the crimes referred to in Article 25-septies of Italian Legislative Decree 231/2001.

### B.1.1 MANSLAUGHTER (ARTICLE 589, CRIMINAL CODE)

"Whoever negligently causes the death of an individual is liable to imprisonment for a term of six months to five years.

If the crime is committed in violation of road safety regulations or workplace health and safety regulations, the penalty shall be imprisonment for a term of two to seven years."

"If more than one person dies, or if one or more people die and one or more people are injured, the penalty for the most severe of the violations committed increased up to three times shall be applied; however, the term of imprisonment cannot exceed fifteen years."

### B.1.2 SERIOUS OR GRIEVOUS BODILY HARM (ARTICLE 590 (3), CRIMINAL CODE)

"Whoever negligently causes bodily harm of an individual is liable to imprisonment for a term of three months or a fine of up to EUR 309.

For serious bodily harm, the term of imprisonment is one to six months or a fine of EUR 123 to EUR 619; for grievous bodily harm the term of imprisonment is three months to two years or a fine of EUR 309 to EUR 1,239.

If the crimes pursuant to the foregoing paragraph are committed in violation of road safety regulations or workplace health and safety regulations, the penalty for serious bodily harm shall be imprisonment for a term of three months to one year or a fine of EUR 500 to EUR 2,000, and the penalty for grievous bodily harm shall be imprisonment for a term of one to three years."

"If more than one person is harmed, the penalty for the most severe of the violations committed increased up to three times shall be applied; however, the term of imprisonment cannot exceed five years.

Without prejudice to the cases provided for in the first and second paragraphs, and only in relation to offences committed in breach of workplace health and safety regulations or that caused an occupational disease, this crime is indictable if legal action is initiated by the victim.

Bodily harm is considered serious (Article 583(1), Criminal Code) in the following cases:

"1) if the offence causes: an illness that places the injured person's life in danger or an illness or incapacity that makes it impossible for an individual to do routine jobs for a period of more than 40 days;

2) if the offence causes permanent damage to one of the senses or to an organ.

Conversely, bodily harm is considered grievous if the offence causes (Article 583(2), Criminal Code):

"1) definite or probable incurable illness;

2) loss of a sense;

3) loss of a limb, or mutilation that makes the limb unusable, or loss of the use of an organ or the ability to procreate, or permanent and grave speech impediments;

4) disfigurement, or permanent scarring of the face."

The common element of the three types of crime is culpability, as defined in Article 43 of the Criminal Code:

"The offence is malicious or intentional when the damaging or dangerous event, which is the result of the act or omission and on which the existence of the offence is dependent by law, is foreseen and intended by the agent as a consequence of their own act or omission; it is involuntary or without malice aforethought when the action or omission results in more serious damage or danger than the agent desired; it is negligent or unintentional when the event, even if foreseen, is not desired by the agent and occurs as a result of negligence, imprudence or incompetence, or due to noncompliance with laws, regulations, orders or rules [...]".

## B.2 RISK AREAS

The Risk Assessment Document prepared pursuant to Legislative Decree 81/08 details the individual areas where the relevant activities for the purposes of accident prevention and worker health protection are developed.

The "level of risk" for employees required to work in one or other of the areas/activities indicated is different, just as it is obvious that different jobs can coexist with just as many differences in the "level of risk". On this basis, the Risk Assessment Document was developed.

If company personnel are engaged in activities falling within the scope of Title IV of Legislative Decree 81/08 (temporary and mobile sites), the Operational Safety Plan (POS - Piano Operativo di Sicurezza) is to be prepared in accordance with the provisions of the Safety and Coordination Plan (PSC - Piano di Sicurezza e Coordinamento) prepared by the Client.
For the management, on the other hand, of works that fall within the scope of contracts, works or supply contracts as per Article 26 of Legislative Decree no. 81/08, preparation of the Single Risk Assessment Document (DUVRI) is required. This provides information on the client's workplaces, the obligations and prohibitions for contractors and the measures to be adopted to ensure elimination or reduction of interference risks.

For the purposes governed by this section of the Model, the risk areas are therefore those indicated in the Risk Assessment Documents (DVR, POS, DUVRI).

Within the above "areas", the activities identified by the Company as being potentially at risk in terms of committing workplace safety offences are:

1. appointments to safety roles
2. management of the risk assessment process (DVR, POS, DUVRI) and preparation of prevention and protection measures;
3. emergency management and first aid;
4. management of tenders, work or supply contracts and safety at temporary or mobile construction sites;
5. management of periodic safety meetings;
6. management of the process of training, information and education of workers;
7. management of health and accident monitoring;
8. management of the process for obtaining documentation and certifications required by law;
9. management of supervisory activities and periodic checks on compliance with procedures and instructions for working safely and on the effectiveness of the procedures adopted.

### B.2.1 THE ORGANIZATION

For the formulation of roles, tasks and the various corporate bodies, the Company uses the system of assigning responsibilities based on the functions exercised by each employee in the context of his or her work activity, as well as specific organizational documents, Organizational Instructions and Service Communications.

The Company's Board of Directors has determined that for the purposes of accident prevention and workplace health and safety, the CEO is the "Employer".

The employer also uses the organizational documents indicated, particularly "letters of responsibility", which highlight the tasks and responsibilities of the various subjects (employer, managers, supervisors and workers) based on the aforementioned principle of responsibility connected to the activities that each of them manages, controls or carries out in their areas of responsibility. As required by law, the operational line for safety and protection activities uses the technical support of other corporate competences, and specifically of the Health and Safety Department and of the Occupational Physician Service for health surveillance.

### B.3 RECIPIENTS OF SPECIAL SECTION C: GENERAL RULES OF CONDUCT AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN RISK AREAS

Since the guiding principle of Legislative Decree 81/08 can be summed up as the conviction that safety at work is obtained by making accountable everybody (employees and non-employees) operating within company areas and/or in the areas where they actually work, the recipients of this Special Section B are all those working for the Company, each on the basis of their duties and competences, as well as the third parties involved in various capacities in company activities.

This Special Section expressly prohibits all recipients from engaging in, and also tolerating other people engaging in conduct that:

- may constitute any of the crimes covered by Legislative Decree 81/08;
- may compromise the safety precautions adopted by the Company, potentially aiding the committing of the crimes of manslaughter and bodily harm;
- is not compliant with company procedures or that is not in any case in line with the workplace health and safety principles expressed in this Model and in the Code of Ethics.

The obligations and prohibitions are also extended to external business associates, within their responsibilities, by means of specific contractual clauses.

As part of the internal workplace health and safety management system, as per legal provisions and industry technical standards, the employer is responsible for:

- organizing and managing the Company according to principles and criteria compliant with the law, with the principles in this document and with the Code of Ethics;
- assessing the health and safety risks to workers and preparing the "Risk Assessment Document" pursuant to the Consolidated Law, with the methods set forth therein;
- designating the Health and Safety Manager;
- assigning to managers tasks and responsibilities in relation to their areas of competence, vesting them with full organizational, management and control powers required by the functions delegated or assigned.

With the scope of their areas of responsibility and using their staff as well as other company structures or resources available for them, the employer and all employees, are required, on the basis of the functions assigned, to:

- appoint the Occupational Physician to carry out Health Surveillance;
- designate in advance workers appointed to implement fire prevention and fire-fighting measures, workplace evacuation in the event of severe and immediate danger, rescue, first-aid and emergency management services;
- assign duties to workers, taking into account their skills, abilities and conditions in relation to their health and to safety;
- provide workers with appropriate personal protective equipment, after consulting with the Health and Safety Manager and the Occupational Physician;
- take appropriate measures to ensure that only workers who have been adequately instructed and specifically trained enter zones that expose them to serious, specific risk;
- require compliance by individual workers with the standards and regulations in force, as well as with the company provisions for workplace health and safety, and the use of collective means of protection and personal protective equipment provided to them;
- require the Occupational Physician to comply with their obligations under Legislative Decree no. 81/08 as amended;
- adopt measures to control risk situations in an emergency and give instructions to ensure that workers leave their workplace or the hazardous area in the case of severe, imminent and unavoidable danger;
- inform workers exposed to the risk of a severe, immediate danger as soon as possible about the actual risk and what provisions have been made or are to be made with regard to protection;
- comply with the obligations to instruct, inform and train pursuant to Articles 36 and 37 of the Consolidated Law;
- stop workers from continuing their activities in a work situation where there is ongoing severe and immediate danger;
- allow workers to verify application of the health protection and safety measures through their safety representative;
- promptly deliver to the Workers' Safety Representative, upon their request and so the representative can carry out their task, a copy of the document referred to in to Article 17(1)(a) and allow the same representative to have access to the data referred to in letter q) of Legislative Decree 81/08 as amended;
- prepare the document pursuant to Article 26(3) of Legislative Decree 81/08 as amended and, upon their request and in fulfilment of their duties, promptly deliver a copy to the Workers' Safety Representatives;
- take appropriate steps to ensure that the technical measures adopted do not expose the population to health risks or damage to the external environment, periodically checking the ongoing absence of such risk;
- communicate electronically to INAIL, and through it, the national information system for prevention in the workplace referred to in Article 8, within 48 hours of receipt of the medical certificate, for statistical and information purposes, the data and information relating to accidents at work involving an absence from work of at least one day, excluding

that of the event and, for insurance purposes, those relating to accidents at work involving an absence from work of more than three days;

- consult the workers' safety representative in the cases referred to in Article 50 of Legislative Decree no. 81/08 as amended;
- adopt the necessary measures for fire prevention and evacuation of workplaces, appropriate to the nature of the activity, the size of the company or production unit, and the number of people present;
- as part of any activities performed under contract or subcontract, provide the workers with a photo ID badge, containing their personal details and the name of the employer;
- where works, services and supplies are awarded to contractors or to self-employed workers, check the technical and professional suitability of the contractors or self-employed workers in relation to the works, services and supplies awarded under tenders, work contracts or supply contracts;
- guarantee, within temporary or mobile construction sites, compliance with the applicable provisions of Title IV of Legislative Decree no. 81/08, as amended;
- call the periodic meetings referred to in Article 35 of Legislative Decree no. 81/08 as amended;
- update the prevention measures in relation to organizational and production changes that affect workplace health and safety, or in relation to the development of health and safety techniques;
- inform, by electronic means, INAIL and thereby the national information system for workplace health and safety referred to in Article 8 of Legislative Decree no. 81/08, of the names of the workers' safety representatives in the event of new elections or appointments;
- ensure that workers for whom health surveillance is mandatory are not assigned to a specific work task without the required fitness assessment.

As part of their assignments and responsibilities, supervisors are required to:

- supervise and oversee compliance by individual workers with their legal obligations, and with the company workplace health and safety provisions and the use of collective means of protection and personal protective equipment provided to them, and, in the case of repeated noncompliance, report this to their line managers;
- make sure that only workers who have been adequately instructed enter zones that expose them to a serious, specific risk;
- require compliance with the measures to control risk situations in an emergency and give instructions to ensure that workers leave their workplace or the hazardous area in the case of severe, imminent and unavoidable danger;
- inform workers exposed to the risk of a severe, immediate danger as soon as possible about the actual risk and what provisions have been made or are to be made with regard to protection;

- stop workers from continuing their activities in a work situation where there is ongoing severe and immediate danger;
- promptly report to the employer or manager any shortage of work materials and equipment and personal protective equipment as well as any other hazardous condition that may occur during work, which they become aware of based on their training;
- attend specific training courses, according to the provisions of Article 37 of Legislative Decree 81/08 as amended.

The individual workers are required to:

- contribute to compliance with the workplace health and safety obligations, together with the Employer, the Managers and the Supervisors;
- comply with the orders and the instructions issued by the Employer, the Managers and the Supervisors for the purposes of collective and personal protection;
- correctly use machinery, equipment, tools, hazardous substances and preparations, vehicles, other operating equipment and safety equipment, as well as the personal protective equipment (PPE) provided to them in compliance with the information and instructions received and any training that may be organized;
- take care of the work equipment and PPE provided to them, not making any modifications on their own initiative, and immediately report any defect or irregularity detected to the Employer, the Health and Safety Manager or Supervisor;
- immediately inform the Employer, the Manager, the Supervisor or the Health and Safety Department of any defects in the foregoing machinery and equipment, as well any hazardous conditions that may come to their attention, and in urgent cases take direct action, within the scope of their competencies and abilities, to eliminate or reduce those defects and hazards, reporting this to the Workers' Safety Representative;
- not remove or modify safety, signalling or control devices without authorization;
- not carry out on their own initiative any operations or manoeuvres that are not part of their competencies, or that may compromise their own safety or the safety of other workers.
- participate in the instruction and training programmes organized by the employer;
- submit to the health checks provided for by Legislative Decree no. 81/08 as amended or in any case ordered by the Occupational Physician.

The Health and Safety Department is expressly required to implement the duties indicated in Article 33 of the Consolidated Law, and therefore, with the collaboration of the employer, takes steps to:

- determine risk factors, assess risks and identify measures for the health and safety of work environments, in compliance with the current law on the basis of specific knowledge of the company organization;

- within their responsibilities, prepare the preventive and protective measures pursuant to Article 28(2) of the Consolidated Law and the control systems for these measures;
- prepare the safety procedures for the different company activities;
- propose worker instruction and training programmes;
- participate in workplace health and safety consultations and in periodic meetings pursuant to Article 35 of the Consolidated Law;
- provide workers with the information required under Article 36 of the Consolidated Law.

The Occupational Physician is required to:

- work with the employer and with the health and safety department to assess risks (also in order to programme health surveillance, where required), to provide for implementation of the measures to protect the physical and mental health of workers, to organize worker training and information, in their specific area of responsibility, and to organize the first aid service, considering the particular types of processing and exposure and the specific ways the work is organized;
- schedule and carry out health surveillance pursuant to Article 41 of Legislative Decree 81/08 by means of health protocols defined according to the specific risks and taking into consideration the most advanced scientific measures. on the basis of the results of the health surveillance, give an opinion on the worker's fitness for the specific job (with or without requirement), establishing the exposure limits, where necessary and technically possible;
- set up, update and store under their own responsibility, a health and risk case file for each worker who undergoes health surveillance which will be handed over to the employer in the event of termination of the appointment and in copy to the worker at the end of the employment relationship;
- give information to the workers about the significance of health surveillance they submit to and, in the case of long-term exposure to agents, inform them of the need to continue to check their health also after the activity that exposes them to those agents is finished. On request, the Occupational Physician is also required to provide the same information to the Workers' Safety Representatives;
- during periodic meetings, report in writing the anonymous collective results of the health surveillance carried out to the Employer, to the Health and Safety Manager and to the Workers' Safety Representatives, and provide explanations of those results for the purposes of implementing measures to protect the mental and physical health of the workers;
- visit the work environments at least once a year or at a different frequency to be determined on the basis of the risk assessment. Any frequency other than annual visits must be communicated to the employer so that it can be noted in the risk assessment document;
- participate in the planning of worker exposure controls, the results of which are provided to workers in a timely manner for the purposes of risk assessment and health surveillance.

Designers of workplaces, workstations and plants are obliged to:

- comply with the general principles of prevention in the field of workplace health and safety when making design and technical decisions;
- choose equipment, parts and protective equipment that comply with the applicable legislative and regulatory provisions.

Manufacturers and suppliers are prohibited from selling, hiring or lending work equipment, personal protective equipment and plants that do not comply with the applicable laws and regulations on health and safety at work.
If assets subject to conformity certification procedures are leased, they must be accompanied by the relevant documentation, arranged by the lessor.

Installers and fitters of plant, work equipment or other technical means must comply with the health and safety at work regulations as well as the manufacturers' instructions for the areas under their responsibility.

The Recipients of this section must constantly and duly carry out checks aimed at highlighting any risks that could lead to the committing of crimes indicated in Article 25-septies, and in general any situation that could be a danger to the health and safety of workers and of anyone in the Company areas.

The activities connected with this risk profile must be managed in compliance with the applicable regulations which, in addition to incorporating the principles expressed in the Code of Ethics and the obligations and prohibitions highlighted above, provide for the following:

- compliance with technical and structural standards under the law, relating to equipment, plants, workplaces, chemical, physical and biological agents;
- risk assessment and preparation of health and safety prevention and protection measures.
  The Employer, in collaboration with the Health and Safety Service, the Occupational Physician and after consulting the Workers' Safety Representative, ensures, for all categories of workers and company roles:
  - the identification and assessment of all risks to the health and safety of workers, including the fire risk and those concerning groups of workers exposed to particular risks, including those related to work-related stress and pregnant workers, as well as gender differences, age, coming from other countries and the specific type of contract through which the work is provided. This evaluation must be carried out in accordance with the methods and contents provided for by Articles 28 and 29 of Legislative Decree 81/08 as amended;
  - the preparation, following the assessment referred to in the previous paragraph, of the Risk Assessment Document (DVR) containing the contents referred to in Article 28(2) of Legislative Decree 81/08 as amended, in compliance with the indications provided by the specific rules on risk assessment contained in the subsequent titles of the aforementioned Decree;

- the periodic updating of the assessment of all risks in accordance with the procedures set out in Articles 28 and 29 of Legislative Decree 81/08 as amended, taking care to ensure consistency between the evolution of the corporate organization and the risk assessment document;
- the identification of suitable measures to prevent, where possible, eliminate or in any case reduce to a minimum the risks assessed, defining the priorities for action and planning the relative interventions;
- the removal of hazards in relation to the knowledge acquired and, where this is not possible, the reduction of such risks to a minimum with the preparation of appropriate health and safety measures to protect workers in accordance with the following hierarchy:
    - substitution of sources of danger;
    - technical control measures;
    - signs and instructions and/or managerial control measures;
    - identification and provision of personal protective equipment (PPE);
- evaluation and monitoring of the application of the measures adopted and assessment of their effectiveness.

- emergency management and first aid and the related periodic tests. Roles, responsibilities and operating methods are formalized to identify possible emergencies and to ensure adequate preparation and response to emergency situations through:
    - the designation of workers in charge of implementing fire prevention and fire-fighting measures, evacuation of workplaces in the event of serious and immediate danger, rescue, first aid and, in any case, emergency management. The number of persons in charge of the emergency is defined taking into account the organizational and operational structure of the Company, the possible presence of disabled persons and the possible absence of persons in charge due to holidays/illness/other. Before being assigned to these tasks, the staff shall be suitably trained and instructed. The list of fire-fighters and first-aiders must be made known to all workers;
    - organization of the necessary relations with the public services responsible for first aid, rescue, fire-fighting and emergency management;
    - definition of the internal emergency plan and the formalization of the necessary management and organizational measures to be implemented in an emergency so that workers can cease their activities, or reach a safe place, immediately leaving the workplace;
    - informing all workers who may be exposed to a serious and immediate danger and external personnel - third party companies, visitors - of the measures taken and the behaviour to be adopted in an emergency;
    - planning and execution of periodic emergency and evacuation tests, in compliance with the intervals provided for by the reference regulations. Evacuation tests, where appropriate, are carried out jointly and in coordination with other companies

with which work environments are shared. Appropriate recording of emergency tests and of the process for evaluating their results shall also be ensured;

- analysis of the causes, in the event of an emergency, and the identification of the technical and organizational measures necessary to avoid the repetition of such events;
- availability of adequate first aid and fire extinguishing equipment suitable for the class of fire and the level of risk present in the workplace, also taking into account the specific conditions in which they may be used.

management of tenders, work or supply contracts and safety at temporary or mobile construction sites: Roles, responsibilities and operating procedures are formalized in order to ensure:

- verification of the technical and professional suitability of suppliers and contractors in accordance with the provisions of Legislative Decree no. 81/08 as amended;
- informing these suppliers and contractors of the specific risks existing in the environment in which they are intended to operate and of the prevention and emergency measures adopted;
- preparation of the Consolidated Assessment of Risks from Interference (DUVRI), where required under Article 26 of Legislative Decree 81/08 as amended, which sets out the measures adopted to eliminate or reduce to a minimum the risks of interference. If the document is prepared, it is annexed to the tender or work contract and shall be adapted to take account of developments in the works, services and supplies;
- indication, in the individual subcontracts, work contracts and supply contracts, of the costs of the measures taken to eliminate or, where this is not possible, to minimize workplace health and safety risks generated by interference between activities;
- indication, in the individual subcontracts, work contracts and supply contracts, of specific contractual clauses with reference to the requirements and conduct required in relation to the type of supply/service provided, and the penalties provided for noncompliance, through to termination of the contract;
- fulfilment of all the obligations set forth in Title IV of Legislative Decree no. 81/08 as amended. In particular, where PWE is the client for works to which the provisions on temporary sites pursuant to Articles 88 et seq. of Legislative Decree no. 81/08 as amended apply, the project manager is appointed during the design and execution phase of the work, who appoints the coordinator responsible for preparing the safety and coordination plan and the technical file in accordance with the provisions of Article 100 of Legislative Decree no. 81/08 and, during the execution phase, for checking the adequacy of the plan in relation to the development of the works.

  In the execution phase, the same coordinator is responsible for promoting appropriate cooperation and coordination actions, for monitoring compliance with the plans by the contractors and for proposing or adopting any contractual sanctions against non-compliant contractors.

  Where PWE is the contractor or is awarded works subject to the aforementioned regulations on temporary sites, compliance with the obligations laid down by

applicable law is guaranteed by preparing the relevant Operational Safety Plans and verifying the consistency of the Operational Plans of the subcontractors with the PWE Operational Plan and with the Customer's Safety Plan.

Acceptance of the Client's safety and coordination plan, as well as drafting of the Operational Safety Plan, limited to the individual worksite concerned, compliance with the provisions of Article 17(1)a, Article 26(1)b, 2, 3 and 5, and Article 29(3) of Legislative Decree 81/08, as amended.

Before the start of work and during its execution, coordination and cooperation meetings will be held with the participation of contractors and suppliers and, where applicable, the health and safety department.

Contractors, suppliers and self-employed workers are obliged, under penalty of disciplinary sanctions, to observe the operating rules concerning health and safety in the workplace established in this Model, in the contractual clauses, in the safety documents and in the provisions relating to interference risks. Contractors shall be required to take similar steps to transmit all documentation, information and corresponding obligations to subcontractors.

- periodic safety meetings:
  - a meeting is held at least annually with the participation of Employer, the Health and Safety Manager, the Occupational Physician and the Workers' Safety Representatives At least the following topics will be discussed during the meeting, which will be recorded to ensure traceability:
    - the risk assessment document;
    - the trend in occupational injuries and diseases and health surveillance;
    - the selection criteria, technical characteristics and effectiveness of the personal protective equipment;
    - health and safety information and training programmes for managers, supervisors and workers.

The meeting also takes place when any significant changes occur to the risk exposure conditions, including the planning and introduction of new technologies that have an impact on the health and safety of workers.

- training, information and preparation of managers, supervisors, workers and particular categories of workers: Roles, responsibilities and operating procedures are formalized in order to ensure:
  - adequate training, information and preparation of workers in accordance with the provisions of Articles 36 and 37 of Legislative Decree no. 81/08 as amended and the Agreement at the Permanent Conference for relations between the State and the Regions;

- the possession of the necessary requirements by the safety trainers in accordance with the definitions laid down in the above State-Regions Agreement and by the Standing Advisory Commission on 18.04.2012;
- traceability of the processes of training, information and preparation and periodic learning assessments;
- adequate information to suppliers and contractors regarding the specific risks present, as well as the rules of conduct and controls adopted by the Company, as defined in this document and in the company's regulatory system.

When planning training, information and preparation activities, seconded workers, temporary personnel and casual workers/ancillary service providers must be considered.

Specifically, each worker must be given adequate information:

- on the workplace health and safety risks associated with the company's activities in general;
- on procedures concerning first aid, fire-fighting and evacuation of workplaces;
- on the names of the workers responsible for implementing first aid and fire-fighting measures;
- on the names of the health and safety manager and officers and of the occupational physician;
- on the specific risks to which they are exposed in relation to the activity carried out, the safety regulations and the relevant company provisions;
- on the dangers associated with the use of hazardous substances and preparations on the basis of the safety data sheets provided for by the regulations in force and by best practice;
- on the health and safety protection and prevention measures and activities adopted.

Specifically, each worker must receive sufficient and adequate training in relation to the specific risks referred to in Legislative Decree no. 81/08. The training and, where applicable, specific preparation take place at the time of:

- establishment of the employment relationship or start of use in the case of temporary work and/or occasional services of an ancillary nature;
- transfer or change of job;
- a change in risk profile, the emergence of new risks or legislative changes.

- health surveillance and management of accidents/injuries: Health surveillance is guaranteed through health protocols defined by the Occupational Physician on the basis of specific risks. When planning health surveillance activities, seconded workers, temporary personnel and casual workers/ancillary service providers must be considered. The frequency of checks shall take account of the applicable regulations and the level of risk. Roles, responsibilities and operating procedures are formalized in order to ensure:

- a preventive medical examination to establish that there are no contraindications to the work for which the worker is intended and to assess their fitness for the specific job;
- periodic medical examination to check the worker's state of health and to give an opinion on fitness for the specific job;
- a medical examination at the request of the worker, if it is considered by the occupational physician to be related to occupational risks or to the worker's health conditions, which may be worsened due to the work activity carried out, in order to express an opinion on fitness for a specific job;
- a medical examination when changing jobs to verify fitness for the specific job;
- a medical examination at the end of the employment relationship in the cases provided for by the regulations in force;
- a preventive medical examination prior to employment;
- a medical examination prior to resumption of work, following an absence for health reasons of more than sixty consecutive days, to verify fitness for the job;
- the timely updating of the health protocol as the company organization evolves.

It is forbidden to carry out medical examinations to ascertain states of pregnancy and in other cases prohibited by current legislation.

The health and risk file, established and kept up to date for each worker subject to health surveillance by the Occupational Physician, is stored with the protection of professional secrecy and confidentiality at the place agreed with the Employer or their representative at the time of appointment.

The company regulations also define roles, responsibilities and operating procedures to ensure:

- timely notification to the Occupational Physician of changes in the company's workforce (e.g. recruitment, change of job, terminations, returns after sick leave with absences of more than 60 days, etc.) so that they can update the schedule of medical fitness and health surveillance examinations;
- monitoring of compliance with the obligations of the Occupational Physician, including inspection of the working environment by them at least once a year or at different intervals, determined in accordance with the Risk Assessment;
- fulfilment of the obligations to record and notify injuries;
- analysis and monitoring of accidents, including near misses.

- acquisition of documents and certifications required by law: Roles, responsibilities and operating procedures are defined to ensure the identification, acquisition, updating and adequate preservation of the documentation and certifications required by law (relating to buildings, plants, people, companies, etc.) by the various corporate functions, each within the scope of their responsibilities and competencies.

- supervision and periodic checks on compliance with the procedures and instructions for working safely and on the effectiveness of the procedures adopted: Roles, responsibilities and operating procedures are defined to ensure:
    - supervision of compliance with safety procedures and instructions by company personnel and external personnel;
    - reporting of risks detected and of any failure to comply with safety regulations by company personnel and external personnel;
    - application of the disciplinary system in the event of any breaches;
    - planning and implementation of periodic and systematic audits of the application and effectiveness of the procedures adopted, also with the support, if necessary, of external professionals formally appointed in compliance with the rules of conduct and controls defined in this Model. The results of the Risk Assessment, of the cases relating to accidents, incidents and near misses and the results of the supervision and periodic verification activities will be taken into account when planning audit activities;
    - definition and implementation of adequate action plans to remedy any nonconformities and/or deficiencies found during the checks.

Company personnel involved for any reason whatsoever in managing accident prevention and workplace health and safety protection activities are required to comply with the procedures laid down in this document, with the provisions of health and safety legislation and also with the conduct described in the Code of Ethics.

## C.4 PROCEDURES TO BE FOLLOWED IN RISK AREAS

All areas identified as risk areas are monitored by procedures, breach of which is considered a breach of the Model and must therefore be reported to the Supervisory Committee so that it may ascertain and then assess the seriousness, proposing, if necessary, the application of sanctions.

The safety management system is governed by a system of procedures, technical regulations and executive good practices, all conforming to the current laws, in addition to training, information and instruction activities. In the worksite, particular attention and importance is given to the Risk Assessment Document (DVR-Documento di Valutazione dei Rischi) prepared by the Employer with the collaboration of the Health and Safety Manager (RSSP-Responsabile del Servizio di Prevenzione e Protezione), the Single Interference Risk Assessment between activities conducted simultaneously in the workplace (DUVRI-Documento Unico di Valutazione Rischi da Interferenza) provided by the Client, the Specific Risk Assessment Document (DVRS-Documento di Valutazione dei Rischi Specifici) that PWE prepares for each worksite it operates at and that is provided to subcontractors, and the Operational Safety Plans (POS-Piani Operativi di Sicurezza) that individual subcontractors prepare in compliance with the DUVRI.
The safety documents are available in the office of the Health and Safety Manager and are disseminated within the Company to the parties concerned. Copies of the procedures indicated are uploaded to the company Intranet, making them accessible to all Company users.
Managers and Supervisors give verbal information and instructions, making sure that they are clearly understood by the people receiving them.

In addition to the above, the corporate procedures to be followed in the risk areas identified in this Special Section are set out below:

- PWITINS101 Specific Requirements – Sales;
- PWITINS501 Specific Requirements – Procurement.
- PWITINS901R00 Planning for hazard identification and risk assessment and control;
- PWITINS902R00 Safety management for off-site activities;
- PWITINS903R00 Accident management;
- PWITINS911R00 - Relations with the public administration

SPECIAL SECTION "C"

# Receiving stolen goods, money laundering, self-laundering and using money, goods or benefits of unlawful provenance

## C.1 THE TYPE OF OFFENCES RELATING TO RECEIVING STOLEN GOODS, MONEY LAUNDERING AND USING MONEY, GOODS OR BENEFITS OF UNLAWFUL PROVENANCE

### C.1.1 FOREWORD

Italian Legislative Decree 231/2007, in implementing Directive 2005/60 EC of the European Parliament and of the Council on preventing the use of the financial system for the purpose of money laundering, reorganized the anti-money laundering legislation in the Italian legal system and introduced into Italian Legislative Decree 231/2001 Article 25-octies, which provides for the liability of organizations for the crimes of money laundering, receiving stolen goods and use of money, goods or other benefits of unlawful provenance; the legislator therefore ordered the repeal of paragraphs 5 and 6 of Article 10 of Italian Law 146/2006 on counteracting cross-border crime. Consequently, pursuant to Article 25-octies, as included in Legislative Decree 231/2007, the Organization is indictable for the crimes set out in Articles 648, 648-bis and 648-ter of the Criminal Code.

Law 186/2014, which came into force on 1 January 2015, added the crime of self-laundering, introduced into Italian law with Article 648-ter.1 of the above Law.

### C.1.2 RECEIVING STOLEN GOODS (ARTICLE 648, CRIMINAL CODE)

Under Article 648 “Apart from cases of aiding and abetting, anyone who acquires, receives or hides money or goods deriving from any crime whatsoever to obtain profit for themselves or others, or who acts as a fence for their acquisition, receipt or hiding, is liable to imprisonment for a term of two to eight years and a fine of between €516 and €10,329.

The penalty is imprisonment for a term of up to six years and a fine of up to 516 euros, if the offence is particularly insubstantial.

The provisions of this article also apply when the perpetrator of the crime which generated the money or goods of unlawful provenance cannot be charged with the crime, or the crime is not punishable, because an essential procedural element of the crime is lacking."

The interest protected by Article 648 is both, immediately, to prevent any criminal activity from becoming a source of subsequent profits and, indirectly, to limit the incentive for criminal activity.

The objective element of the offence is receiving, which incorporates any means of entering into possession of goods of unlawful provenance and is therefore to be understood as including any negotiation, whether free of charge or for consideration, for the transfer of the goods into the purchaser's assets or, in any case, into the possession of the purchaser.

The term "receiving" indicates any form of coming into possession of goods of unlawful provenance, even if only temporary.

Hiding relates to concealment of goods of unlawful provenance after receiving them.

The profile required by the law includes any form of profit or advantage, even temporary, that may be derived from possession of the property.

Receiving stolen goods is an immediate crime which is committed when the agent hands over possession of the property and therefore in the case of purchase it is committed at the moment of

agreeing on the item and the price, while in the case of fencing it is committed simply for acting with the purpose of having the stolen goods purchased - received - hidden without this involvement necessarily achieving the end proposed by the agent.

The subjective element required by Article 648 of the Criminal Code is the agent's awareness of the unlawful provenance of the item.

Knowledge of the unlawful provenance can be inferred from any element, even an indirect one: thus, from the conduct of the accused party demonstrating the certainty of the unlawful provenance of the goods received, on the basis of omitted or unreliable indication of the origin of the goods received, from the conduct of the agent after the purchase, from the purchase method, from the nature of the goods, from the quality or condition of the seller.

### C.1.3 MONEY LAUNDERING (ARTICLE 648-BIS)

Excluding cases of aiding and abetting the crime, when anyone replaces or transfers money, goods or other benefits obtained from a premeditated offence, or carries out any other transactions in relation to them, in order to conceal their criminal provenance, they are liable to imprisonment for a term of four to twelve years and a fine of between €1,032 and €15,493.
The penalty is increased if the offence is committed within the framework of a professional activity.
The sentence is reduced if the money, goods or other benefits come from an offence where the maximum prison term is set at five years. The last paragraph of Article 648 applies.

Money laundering means any activity aimed at concealing the origins of illegally obtained money or goods or other economic benefits and/or introducing them into the financial system, by investing in legitimate economic initiatives, with the danger of altering market mechanisms.
The task of putting a stop to money laundering is entrusted above all to Articles 648-bis and 648-ter in the section of the code dedicated to financial crimes.

The proceeds from money laundering consist of "money, goods or other assets" and therefore include any economic advantage deriving from the crime.
The relevant conduct for committing this crime is typified by a common requirement because it must be carried out in such a way as to impede identification of the criminal origin of the object.

With regard to the subjective element, Article 648-bis requires awareness of the criminal origin of the object of money laundering and the deliberate obstruction, through appropriate conduct, of the source identity.

Article 648-bis of the Criminal Code includes an aggravating circumstance if "the offence is committed within the framework of a professional activity".

### C.1.4 USING MONEY, GOODS OR BENEFITS OF UNLAWFUL PROVENANCE (ARTICLE 648-TER, CRIMINAL CODE)

Apart from cases of aiding and abetting, and the cases envisaged under Articles 648 and 648-bis, anyone who uses illegally obtained money, goods or benefits in economic or financial activities is liable to imprisonment for a term of four to twelve years and a fine of between € 1,032 and € 15,493.

The penalty is increased if the offence is committed within the framework of a professional activity.
The penalty is reduced in the case referred to in the second paragraph of Article 648.
The last paragraph of Article 648 applies.

Article 648-ter protects the economic order that could be disturbed by introducing onto the market illegally obtained goods and, above all, capital, thereby altering free competition.

The conduct required to commit the crime consists of the use of criminal proceeds in economic or financial activities.

Economic or financial activities are all those activities, including brokerage, concerning the production or circulation of goods or services, or the circulation of money or securities.

Given the use of the term "use" by the legislator, the provision punishes any form of using unlawful capital with the sole specification that the use must take place with regard to economic or financial activities.

The legislator therefore intended to punish conduct involving the use of illegally obtained capital in an economic or financial activity, irrespective of any objective or useful result for the agent and on the sole basis that it could be subjectively envisaged that using capital would in some way benefit them.

The law does not refer to the person operating but to the sector the investment is made in. The crime therefore has no subjective limits and both those who directly employ or propose the use of money and those who are assigned to use the capital may be punished, provided that they are aware of the provenance of the goods from the crimes expressly indicated.

### C.1.5 SELF-LAUNDERING (ARTICLE 648-TER. 1, CRIMINAL CODE)

Imprisonment from two to eight years and a fine of between EUR 5,000 to EUR 25,000 is applied to anyone who, having committed or contributed to committing a non-culpable crime, uses, replaces or transfers to economic, financial, entrepreneurial or speculative activities, money, goods or other benefits deriving from this crime, in such a way as to concretely hinder the identification of their criminal origin.

The penalty is imprisonment of between one and four years and a fine of between EUR 2,500 and EUR 12,500 if the money, goods or other benefits originate from a non-culpable crime punished with imprisonment of less than a maximum of five years.
The penalties provided for in the first paragraph are, however, applied if the money, goods or other benefits originate from a crime committed with the conditions or purposes set out in Article 7 of Decree-Law no. 152 of 13 May 1991, converted, with amendments by Law no. 203 of 12 July 1991, and subsequent amendments.

With the exception of the cases referred to in the previous paragraphs, conduct where money, goods or other benefits are intended for mere use or personal enjoyment is not punishable.
The penalty is increased when the acts are committed as part of exercising a banking or financial activity or other professional activity.

Until the introduction of Law 186/14, the legislator had configured the conduct of receiving, laundering and using money, goods or other benefits of unlawful provenance as crimes that could only be brought against someone other than the author of the predicate crime. The innovation brought by Law 186/14 lies in punishing the person who, after committing or aiding and abetting a non-culpable crime, uses, replaces or transfers to economic, financial, entrepreneurial or speculative activities, money, goods or other benefits originating from this crime, in such a way as to concretely hinder the identification of their criminal origin.

The liability of Organizations with regard to the crime of self-laundering arises in all cases where, following a non-culpable crime, the Organization uses the benefits derived from it to perform its activities. In general, therefore, all non-culpable crimes committed in the interest or to the advantage of the Organization that generate a benefit may in theory be considered a basis for the crime of self-laundering.

## C.2 RISK AREAS

The offences considered above are based on the establishment of direct or indirect relations with customers, suppliers and partners. All areas of the company which, in order to carry out their activities, have relations with customers, suppliers and partners are therefore defined as risk areas.

Taking into account, therefore, the multitude of relationships that Paul Wurth Energy has both in Italy and abroad, the following areas of activity have been identified as being more specifically at risk:

1. Sales and contract management activities.
2. Keeping of accounts, preparation of financial statements and management of taxation.
3. Procurement and tendering.
4. Cash flow management.

With specific reference to the offence of self-laundering, given the fact that any crime that is of benefit to the Company may lead to such an offence being committed, it is deemed appropriate to assess this crime risk as a widespread risk. Therefore, all company areas are in theory at risk of committing an intentional crime that is a precondition for the crime of self-laundering, where the Company uses, replaces or transfers money, goods or other benefits, in such a way as to concretely hinder the identification of their criminal origin.

## C.3 RECIPIENTS OF THE SPECIAL SECTION: GENERAL RULES OF CONDUCT AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN RISK AREAS

The company procedures designed to prevent the offences referred to in Article 25-octies aim to:

- define roles and responsibilities for managing the procurement process;
- define roles and responsibilities for managing the process of selling goods and services;
- identify the reliability of suppliers in order to check that they can be relied on also in terms of the traceability of economic transactions with them;
- monitor the continued satisfaction of the requirements of reliability, correctness, professionalism and integrity by suppliers;
- determine the minimum requirements possessed by bidders and fix the evaluation criteria for bids in standard contracts;
- verify the regularity of payments with reference to the matching of recipients/beneficiaries of payments and the counterparties actually involved in the transactions;
- monitor the company's cash flows with reference to payments to third parties;
- regulate the recording and retention of transaction data;
- establish contractual standards for the issue of purchase orders/contracts as well as compliance with them;
- ensure the proper management of tax policy;
- ensure the reporting of suspicious transactions with regard to the legitimacy of the source of the sums involved in the transaction or the reliability and transparency of the counterparty;
- implement constant training and information for company representatives on the subject of receiving stolen goods, money laundering and the use of money, goods or benefits of illegal provenance;
- give evidence of the activities and controls carried out.

## C.4 PROCEDURES TO BE FOLLOWED IN RISK AREAS

All areas identified as risk areas are monitored by procedures, breach of which is considered a breach of the Model and must therefore be reported to the Supervisory Committee so that it may ascertain and then assess the seriousness, proposing, if necessary, the application of sanctions. The corporate procedures to be followed in the risk areas identified in this Special Section are set out below:

- PWITINS101 Specific Requirements – Sales;
- PWITINS501 Specific Requirements – Procurement.
- PWITINS911R00 Relations with the Public Administration;
- PWITINS912R00 Appointment of commercial agents/consultants;

- PWITINS913R00 - Management of bank transfers;
- PWITINS914R00 Cash in hand procedure;
- PWITINS915R00 Preparation of the financial statements.

SPECIAL SECTION "D"

# Organized crime offences

## D.1 TYPES OF ORGANIZED CRIME OFFENCES

### D.1.1 FOREWORD

After the enactment of Law no. 146 of 16 March 2006 and the innovations introduced by Law no. 94 of 15 July 2009, organized crime offences are deemed to come under the application of the sanctions provided for by Legislative Decree no. 231/2001 whether they are committed within the State, or fall within the category of transnational offences as defined by Article 3 of Law no. 146/2006 (see the General Section for the elements that characterize a criminal offence as a "transnational offence").

Pursuant to the combined provisions of Laws no. 146/2006 and 94/2009, the crimes which are both considered by regulatory sources and relevant for the purposes of the administrative liability of the company are: criminal association (Article 416 of the Criminal Code); mafia-type associations, including foreign ones (Article 416-bis of the Criminal Code); and association aimed at the illicit trafficking of narcotic or psychotropic substances (Article 74 of Presidential Decree no. 309/1990).

In addition to those mentioned above, it should be noted that the following offences also fall within the scope of organized crime offences as provided by Article 24-ter of Legislative Decree 231/01: electoral exchange between politicians and the mafia (Article 416-ter); kidnapping for the purpose of robbery or extortion (Article 630, Criminal Code); illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or place open to the public of weapons of war or war type or parts thereof, explosives, clandestine weapons and more common firearms (Article 407(2)(a)(5) Code of Criminal Procedure).

For the sake of completeness, it should be noted that, in addition to those listed above, the following are also included among the transnational offences covered by the Decree: criminal association for the purpose of smuggling tobacco manufactured abroad (Article 291-quater of Presidential Decree no. 43/1973); smuggling of migrants (Article 12, paragraphs 3, 3-bis, 3-ter and 5, Legislative Decree no. 286 of 25 July 1998); induction not to make or to make false statements to the judicial authorities (Article 377-bis, Criminal Code); personal aiding and abetting (Article 378, Criminal Code).

### D 1.2 CRIMINAL ASSOCIATION (ARTICLE 416, CRIMINAL CODE)

"When three or more persons associate in order to commit several crimes, those who promote or constitute or organize the association are punished, for this reason only, with imprisonment of from three to seven years.
For the mere fact of participating in the association, the sentence is one to five years' imprisonment.
The leaders are subject to the same penalty as the promoters.
If the associates bear arms in the countryside or in public thoroughfares, imprisonment of from five to fifteen years applies.
The sentence is increased if the number of associates is ten or more.
If the association is aimed at committing any of the offences referred to in Articles 600, 601 and 602, as well as in Article 12(3-bis), of the consolidated text of provisions concerning the regulation

of immigration and regulations on the condition of foreigners, referred to in Legislative decree no. 286 of 25 July 1998, imprisonment of from five to fifteen years is applied in the cases referred to in the first paragraph and from four to nine years in the cases referred to in the second paragraph.
If the association is aimed at committing any of the crimes provided for in Articles 600-bis, 600-ter, 600-quater, 600-quater.1, 600-quinquies or 609-bis, when the act is committed to the detriment of a minor less than eighteen years of age, and 609-undecies, imprisonment from four to eight years is applied in the cases provided for in the first paragraph and imprisonment from two to six years in the cases provided for in the second paragraph".

The offence of criminal association is characterized by three fundamental elements, consisting of:

1 a permanent, or in any case stable, associative bond that tends to last even beyond the realization of the crimes actually planned;

2 the indeterminacy of the criminal program, which distinguishes criminal association from mere complicity in crime;

3 the existence of even a minimal organization suitable for achievement of the criminal objectives.

The crime is considered to have been committed solely because of the existence of a permanent bond of association aimed at committing criminal offences, regardless, in concrete terms, of whether the offences are actually committed; in fact, if the offences are committed, the members of the association will be liable for both the crime of association to commit a crime and the crime actually committed.
Within the framework of criminal association, the conduct of participation on the one hand and promotion, establishment and organization on the other hand, are provided for as distinct criminal profiles.
Promoters, organizers and leaders are distinguished by having a role of supremacy and direction within the criminal association, while when describing participation, the free nature of the conduct is emphasized, consisting of a valuable and concrete contribution at the causal level, the existence and strengthening of the association and therefore realization of the offence to the interests protected by the law setting out the crime, whatever the role or task that the participant plays within the association.
The association is promoted by the people who, alone or together with others, are the initiators of it.
It is made up of those who, through their activity, determine or contribute to its activity.
The organizer is the person who coordinates the activities of individual members, to ensure the life, efficiency and development of the association.
Leaders are individuals who regulate all or part of the activity of the association, with a position of superiority.

### D 1.3 MAFIA-TYPE ASSOCIATIONS, INCLUDING FOREIGN ONES (ARTICLE 416-BIS, CRIMINAL CODE)

"Anyone who is a member of a mafia-type association of three or more persons is liable to imprisonment for a period of between ten and fifteen years.
Those who promote, direct or organize the association are punished, for this reason alone, with imprisonment from twelve to eighteen years.

An association is a mafia-type criminal association whereby the people involved exploit the intimidating power inherent in the bonds of association and the power over others and code of silence which arise from that intimidation for the purposes of committing offences, acquiring directly or indirectly the power to manage or control economic activities, licences, authorizations, public contracts and services, gaining unjust riches or advantage for themselves or others, impeding or obstructing the free exercise of the right to vote, or procuring votes for the association's members or for others in elections.
If the association is armed, the penalty is imprisonment for from twelve to twenty years in the cases provided for in the first paragraph and from fifteen to twenty-six years in the cases provided for in the second paragraph.
The association is considered armed when the participants have the availability, for the achievement of the purpose of the association, of weapons or explosive materials, even if concealed or kept in storage.
If the economic activities which the associates intend to take over or control are financed in whole or in part by the price, product or profit of the crimes, the penalties established in the preceding paragraphs are increased by one third to one half.
The confiscation of the items that served or were intended to serve the crime and of the items that are the price, the product or the profit or that constitute use thereof is always obligatory for the condemned person.
The provisions of this article also apply to the Camorra and to other associations, whatever their local name, including foreign ones, which, availing themselves of the intimidating force of the associative bond, pursue purposes corresponding to those of mafia-type associations".

This type of crime is characterized by two additional elements with respect to the crime of simple criminal association; in addition to the associative bond, there must be an intimidating force and a condition of subjection and silence.
Intimidating force and the condition of subjugation and silence are the instruments that the mafia association uses to achieve its associative aims.

The aim of a mafia-type association is to be considered heterogeneous; in fact, the aims indicated in the third paragraph of the article must be understood in an alternative and non-cumulative sense.

Specific aggravating factors are provided where the mafia association is armed, that is, where it has arms available, for use in the achievement of the objectives of the association.

Art. 416 also punishes external complicity in the offence of association, which can be committed in relation to sporadic situations where a temporary contribution is necessary, even if limited to a single intervention by a person outside the association.
This contribution can occur in the most varied forms, also in working with the mafia association to procure financial resources allocated to public works and in the "piloted" award of the relative contracts, an activity that offers the association the possibility of increasing its economic resources.
The criterion for deciding whether a business is collusive or not is given by case law as the acquisition of an unnatural advantage in favour of the company.

## D.2 RISK AREAS

Taking into account the variety of relationships that the company has both in Italy and abroad, the following areas of activity have been identified as being more specifically at risk:

1. Management of relations with public institutions and bodies.
2. Procurement and tendering.
3. Cash flow management.

## D.3 RECIPIENTS OF THE SPECIAL SECTION - GENERAL RULES OF CONDUCT AND IMPLEMENTATION OF THE DECISION-MAKING PROCESS IN RISK AREAS

With reference to the types of offences mentioned, it should be noted that the relative risks already appear to be covered by the rules laid down in the procedures, the Code of Ethics and the other parts of the Model, in particular Special Section "A" and Special Section "C", to which reference should be made.

## D.4 PROCEDURES TO BE FOLLOWED IN RISK AREAS

All areas identified as risk areas are monitored by procedures, breach of which is considered a breach of the Model and must therefore be reported to the Supervisory Committee so that it may ascertain and then assess the seriousness, proposing, if necessary, the application of sanctions. The corporate procedures to be followed in the risk areas identified in this Special Section are set out below:

- PWITINS101 Specific Requirements – Sales;
- PWITINS501 Specific Requirements – Procurement;
- PWITINS911R00 Relations with the Public Administration;
- PWITINS912R00 Appointment of commercial agents/consultants;
- PWITINS913R00 - Management of bank transfers;
- PWITINS914R00 Cash in hand procedure;
- PWITINS915R00 Preparation of the financial statements.

SPECIAL SECTION “E”

Environmental crimes

## E.1 TYPES OF ENVIRONMENTAL CRIMES (Art. 25-undecies of the Decree) and the crime of "illegal incineration of waste".

### E.1.1 FOREWORD

The need for protection of the environment through criminal law is felt at EU and national level alike. At EU level, this requirement was transposed into Directive 99 of the European Parliament and of the Council of 19 November 2008 on the protection of the environment through criminal law, according to which each Member State must take the necessary measures to ensure that a series of activities that are "unlawful and committed intentionally or at least with serious negligence" are punishable by criminal law.

On 7 July 2011, Italian Legislative Decree 121/11 was approved to implement EU directives on environmental crimes, entitled "Implementation of Directive 2008/99/C on the protection of the environment through criminal law, as well as Directive 2009/123/EC amending Directive 2005/35/EC on ship-source pollution and the introduction of penalties for infringements". In particular, Legislative Decree 121/11 provides for the introduction in Legislative Decree 231/2001 of the new Article 25-undecies, extending the liability of the organization to environmental crimes.

The following criteria apply to the identification of liability for the Organization:

- objective criteria for attributing responsibility to the Organization, defined in Article 5 of Legislative Decree 231/01, where it establishes that the alleged offences relate to the Organization only if committed (by top management or persons subject to them) in its interest or to its advantage;
- subjective criterion, where adoption of the Model of organization, management and control plays a decisive role in terms of exempting the Organization from liability.

It should be noted, however, that in the case of environmental crimes, Article 25-undecies does not recognize as effective for the purposes of exemption organizational management models defined in accordance with international standards and regulations, such as the EMAS Regulation and UNI EN ISO 14001, as was the case with the introduction of liability of the organization for crimes committed in violation of the legislation on safety and prevention of accidents at work under Law 123/2007. In addition, unlike safety regulations, environmental regulations do not first identify the company's organization, but merely define, within the scope of specific regulations, the persons responsible for the organization vis-à-vis the authorities, for example the role of the holder of the authorization for water discharges or emissions into the atmosphere.

In introducing Article 25-undecies, the legislator made only a "partial" reference to the regulations in force on the subject of environmental protection, selecting only specific cases of crime and introducing ex novo the cases referred to in Articles 727-bis and 733-bis of the Criminal Code.

Law no. 68 of 22 May 2015 introduced new environmental crimes into the Criminal Code and, therefore, extended the list of crimes covered by Legislative Decree 231/01.

Below is a brief description of the crimes covered in Article 25-undecies of the Decree, considered potential risk areas for the Company.

### E.1.2 PROVISIONS OF THE CRIMINAL CODE

a) Environmental pollution (Article 452 bis)

"Imprisonment for a term of two to six years and a fine of EUR 10,000 to EUR

100,000 shall be applicable to anyone whose unlawful conduct compromises or causes significant and measurable deterioration of:

1) water or air, or large or significant portions of the soil or subsoil;

2) an ecosystem, biodiversity, including agricultural biodiversity, flora and fauna.

When the pollution is produced in a protected natural area or an area subject to landscape, environmental, historical, artistic, architectural or archaeological restrictions, or damages protected animal or plant species, the penalty is increased."

b) Environmental disaster (452 quater)

"Outside the cases provided for by Article 434, anyone whose unlawful conduct causes an environmental disaster is liable to imprisonment for a term of five to fifteen years.

Environmental disaster is constituted by any of the following:

1) irreversible alteration of the equilibrium of an ecosystem;

2) alteration to the equilibrium of an ecosystem which is particularly costly to reverse and can be reversed only with exceptional measures;

3) endangering public safety due to the extent of the damage or its harmful effects or the number of persons injured/affected or exposed to danger.

When the disaster is produced in a protected natural area or subject to landscape, environmental, historical, artistic, architectural or archaeological restrictions, or damages protected animal or plant species, the penalty is increased".

c) Unintentional environmental offences (452 quinquies)

"If any of the acts referred to in Articles 452-bis and 452-quater are committed through negligence, the penalties provided for in those articles will be reduced by one third to two thirds.

If the offence referred to in the previous paragraph gives rise to the danger of environmental pollution or environmental disaster, the penalties are further reduced by one third".

d) Trafficking and abandonment of highly radioactive material (452 sexies)

"Unless the conduct constitutes a more serious offence, anyone who illegally sells, buys, receives, transports, imports, exports, procures for others, holds, transfers, abandons or illegally disposes of highly radioactive material is punishable by imprisonment of between two and six years and a fine of between 10,000 and 50,000 euros.

The penalty referred to in the first paragraph will be increased if the conduct threatens to compromise or cause deterioration in the quality of:

1) water or air, or large or significant portions of the soil or subsoil;

2) an ecosystem, biodiversity, including agricultural biodiversity, flora and fauna.

If the conduct endangers the life or safety of persons, the penalty is increased by up to half"

e) Aggravating circumstances (452 octies)

"When the conspiracy referred to in Article 416 is aimed, exclusively or concurrently, at committing any of the crimes referred to in this title, the penalties provided by Article 416 are increased.

When the conspiracy referred to in Article 416-bis is aimed at committing any of the offences provided for in this title or at acquiring the management or control of economic activities, concessions, authorizations, contracts or public services in the environmental field, the penalties provided by Article 416-bis are increased.

The penalties referred to in the first and second paragraphs are increased from a third to a half if the conspiracy involves public officials or public servants who exercise functions or perform services relating to the environment".

### E.1.3 STANDARDS ON WASTEWATER DISCHARGES, EMISSIONS INTO THE ATMOSPHERE, WASTE MANAGEMENT AND REMEDIATION OF POLLUTED SITES PROVIDED FOR BY THE CONSOLIDATED ENVIRONMENTAL ACT (LEGISLATIVE DECREE NO. 152/2006)

Water pollution (Article 137)

a) Unauthorized discharge of industrial wastewater containing hazardous substances:

"When the conduct described in paragraph 1[1] concerns the discharge of industrial waste water containing hazardous substances included in the families and groups of substances listed in Tables 5 and 3/A of Annex 5 to the third part of this decree, the penalty is [...]" (Article 137(2), Legislative Decree no. 152/2006).

b) Discharge of industrial wastewater containing hazardous substances in breach of the requirements set within the authorization or by the relevant authorities:

"Anyone who, apart from the cases referred to in paragraph 5, discharges industrial waste water containing hazardous substances included in the families and groups of substances indicated in Tables 5 and 3/A of Annex 5 to Part III of this decree without complying with the provisions of the authorization, or other requirements of the competent authority pursuant to Article 107, paragraph 1[2]and 108(4)[3]is punished [...]" (Article 137, paragraph 3, of Legislative Decree no. 152/2006).

[1] Paragraph 1, Article 137: "Anyone who opens or otherwise carries out new discharges of industrial waste water, without authorization, or who continues to carry out or maintain such discharges after the authorization has been suspended or revoked, shall be punished [...]".
[2] Art. 107, paragraph 1: "Without prejudice to the mandatory nature of the emission limit values set out in Table 3/A of Annex 5 to Part III of this Decree and, limited to the parameters set out in Note 2 to Table 5 of said Annex 5, Table 3, discharges of industrial waste water into sewerage collecting systems will be subject to the technical standards, regulatory requirements and limit values adopted by the competent authority on

c) Discharge of industrial wastewater containing hazardous substances in breach of tabled limits or more restrictive limits set by Regions or Autonomous Provinces or by the relevant Authority:

"Anyone who, in relation to the substances indicated in Table 5 of Annex 5 to Part III of this Decree, when discharging industrial waste water, exceeds the limit values set out in Table 3 or, in the case of discharge onto the ground, in Table 4 of Annex 5 to Part III of this Decree, or the more restrictive limits set by the Regions or Autonomous Provinces or by the competent Authority pursuant to Article 107(1), shall be punished [...].

If the limit values set for the substances contained in Table 3/A of the same Annex 5 are also exceeded, [...] will apply" (Article 137, paragraph 5, Legislative Decree no. 152/2006).

Unauthorized waste management (Article 256) and illegal incineration of waste (Article 256 bis)

d) Construction or operation of an unauthorized landfill:

"Anyone who constructs or operates an unauthorized landfill site is liable to [...] and a fine of [...]. The penalty of [...] and the fine of [...] applies if the landfill is intended, even partly, for the disposal of hazardous waste. The conviction or sentence issued pursuant to Article 444 of the Code of Criminal Procedure is followed by the confiscation of the area on which the illegal landfill is located if it is the property of the perpetrator or participant in the crime, without prejudice to the obligation to decontaminate and restore the site to its original condition" (Article 256, paragraph 3, Legislative Decree no. 152/2006).

e) Unauthorized mixing of waste:

"Anyone who, in violation of the prohibition set forth in Article 187, carries out unauthorized activities to mix waste, is liable to [...]" (Article 256(5) of Legislative Decree no. 152/2006).

f) Illegal incineration of waste:

“Anyone who sets fire to abandoned or uncontrolled waste is liable to imprisonment for a period of between two and five years. If hazardous waste is set on fire, the penalty is three to six years' imprisonment. Anyone responsible is required to restore the state of the places, to compensate for the environmental damage and to pay, also as part of a recourse, the costs of remediation.

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the basis of the characteristics of the system, and in such a way as to ensure the protection of the receiving body of water and compliance with the rules on discharges of urban waste water as defined in Article 101(1) and (2)."

[3]Art. 108, paragraph 4: "For the substances listed in Table 3/A of Annex 5 to Part III of this Decree, deriving from the production cycles indicated in the same table, the authorizations also establish the maximum quantity of the substance expressed in units of weight per unit of element characteristic of the polluting activity, i.e. per raw material or per unit of product, in compliance with what is indicated in the same Table. Discharges containing the hazardous substances referred to in paragraph 1 will be subject to the requirements of point 1.2.3 of Annex 5 to Part III of this Decree.

The same penalties apply to anyone responsible for the conduct referred to in Article 255(1), and the criminal conduct referred to in Articles 256 and 259 in relation to the subsequent illegal incineration of waste.

The penalty is increased by one third if the offence referred to in paragraph 1 is committed within the scope of a business activity or in any case of an organized activity. The owner of the company or the person responsible for the activity, however organized, is also liable for the autonomous crime of failure to supervise the actions of the material perpetrators of the crime, in any case attributable to the company or the activity itself; the aforementioned company owners or persons responsible for the activity are also subject to the sanctions provided for in Article 9(2) of Legislative Decree no. 231 of 8 June 2001.

The penalty is increased by one third if the act referred to in paragraph 1 is committed in territories which, at the time of the conduct and in any case in the previous five years, are or have been affected by declarations of state of emergency in the waste sector pursuant to Law no. 225 of 24 February 1992.

Vehicles used for the transport of waste subject to the offence referred to in paragraph 1 of this article, incinerated in unauthorized areas or plants, will be confiscated pursuant to Article 259(2) unless they belong to a person who is not involved in the conduct referred to in paragraph 1 of this article and who has not participated in or contributed to the crime. The conviction or sentence issued pursuant to Article 444 of the Code of Criminal Procedure is followed by the confiscation of the area on which the crime is committed, if it is the property of the perpetrator or participant in the crime, without prejudice to the obligations to decontaminate and restore the site to its former condition. The sanctions referred to in Article 255 are applied if the conduct referred to in paragraph 1 relate to the waste referred to in Article 184(2)e". (Article 256 bis of Legislative Decree no. 152/2006).

Contaminated sites (Article 257)

g) Pollution of the soil, subsoil, surface water or groundwater by exceeding the risk threshold concentration (unless decontamination measures are taken in compliance with the project approved by the relevant authority) and failing to notify the relevant authorities. The acts of pollution are more serious if they involve the use of hazardous substances.

"Anyone who causes pollution of the soil, subsoil, surface water or groundwater by exceeding the risk threshold concentrations shall be punished [...] if they do not carry out remediation in accordance with a project approved by the competent authority under the procedure laid down in Articles 242 et seq. If the communication referred to in Article 242 is not made[4]the offender is punished [...].

The penalty of [...] is applied if the pollution is caused by hazardous substances" (Article 257, paragraphs 1 and 2, Legislative Decree no. 152/2006).

[4]Art. 242 Operating and administrative procedures
"If an event occurs that could potentially contaminate the site, the person responsible for the pollution shall take the necessary preventive measures within twenty-four hours and shall immediately communicate the event in accordance with the procedures referred to in Article 304 (2). The same procedure will apply to the detection of historical contamination which may still lead to a risk of aggravating the contamination situation. [...]'

Illegal trafficking in waste (Article 260)

h) Organized activities for illegal trafficking of waste involving a number of operations and the ongoing use of vehicles and activities. This crime is distinguished by wilful misconduct for the purpose of unlawful gain and a number of relevant actions (selling, receiving, transporting, exporting, importing and abusive handling of large quantities of waste). Penalties increase if highly radioactive waste is involved:

"Anyone who, in order to obtain an unfair profit, with more than one operation and through the setting up of organized means and continuous activities, sells, receives, transports, exports, imports or in any case illegally manages large quantities of waste, shall be punished [...].

(Article 260(1) of Legislative Decree no. 152/2006).

Air pollution (Article 279):

i) Breach of the emission limit values or violation of the provisions established by the authorization, plans and programmes, regulations or the relevant authority when operating a plant, which also result in exceeding the air quality limit values envisaged by the current laws:

"In the cases referred to in paragraph 2[5]the penalty of [...] is always applied if exceeding the emission limit values also exceeds the air quality limit values laid out in the current legislation" (Article 279, paragraph 5, Legislative Decree no. 152/2006).

E.2 RISK AREAS

The activities at risk identified, with reference to the environmental crimes deemed applicable, are as follows:

1. management of technical and administrative aspects related to the definition and disposal of waste (sampling, characterization);
2. supervision of contractors, sub-contractors and third parties operating within the work areas of PWE;
3. management of processes and plants with environmental impacts (emissions, wastewater, soil pollution);
4. management of regulatory oversight, authorization measures (communications to the competent authorities; requests, amendments, additions, terminations, authorization

[5] "Anyone who, in operating an establishment, breaches the emission limit values or the requirements laid down in the permit, in Annexes I, II, III or V to Part Five of this Decree, in the plans and programmes or in the legislation referred to in Article 271 or the requirements otherwise imposed by the competent authority under this Title shall be punished [...]. If the limit values or prescriptions violated are contained in the integrated environmental authorization, the sanctions laid out in the regulations governing such authorization will apply" (Article 279(2), Legislative Decree no. 152/2006).

measures; implementation of monitoring plans, etc.) and periodic checks on regulatory compliance.

## E.3 ENVIRONMENTAL PROTECTION

PWE pays the utmost attention to developing and monitoring the environmental impacts of its activities, systematically seeking to improve them.

The requirements that the Company bases its system on are:

- for the scheduling phase, activities related to:
  - identification and assessment of environmental aspects;
  - identification of legal and other applicable requirements;
  - definition of environmental policies and objectives with reference to environmental aspects and programmes for environmental improvement, prevention and protection;
- for the execution phase, activities related to:
  - definition of "resources, roles, responsibilities and powers"
  - training/information, i.e. those activities aimed at ensuring that the "competence, training and awareness" of the people (both those who work for the organization and those who work on its behalf) whose activities have environmental impacts, are always adequate to the needs and consistent with the pursuit of environmental policy;
  - the identification and management of potential environmental emergencies.
- for the audit phase, activities related to:
  - monitoring, surveillance and measurement of (i) operations likely to have significant environmental impacts, (ii) the achievement of the objectives set and (iii) the correct calibration of the environmental monitoring equipment;
  - periodic and systematic verification of compliance with the requirements of the law and any other requirements (e.g. company procedures and operating instructions) signed by the organization.

## E.4 RECIPIENTS OF THE SPECIAL SECTION: GENERAL RULES OF CONDUCT

This Special Section provides for the express prohibition - on the part of Company Representatives directly, and on the part of external Associates and Partners through specific contractual clauses - on cooperating with or giving rise to forms of conduct that, considered individually or collectively:

- constitute, directly or indirectly, the types of offences included among those considered above (Article 25-undecies of Legislative Decree 231/2001);
- may compromise the environmental protection measures adopted by the Company, potentially favouring the commission of the environmental crimes referred to in Article 25-undecies of Legislative Decree 231/2001;

- constitute a breach of company procedures or, in any case, are not in line with the principles expressed by this Model and the Code of Ethics;

It is also obligatory to:

- comply with all the provisions of Legislative Decree 152/06 as amended and other laws and regulations that protect the environment;
- observe the protocols and procedures governing the company's activities;

With regard to personal responsibility and the appointment/designation of functions relevant to environmental protection, it is ensured that:

- letters of responsibility in environmental matters are adequately formalized, with specific indication of duties and powers, signed by the persons in charge, and publicized within the Company and externally where required;
- the person with environmental duties possesses all the requirements of professionalism and experience required by the specific nature of the functions delegated;
- the identification of the responsible parties is consistent with the evolution of the corporate organization;
- the functions in charge of safety-relevant tasks are endowed with the powers of organization, management and control, and if necessary, expenditure, appropriate to the structure and size of the organization and the nature of the tasks assigned, also taking into account the possibility of the occurrence of unforeseeable or unavoidable emergencies.

The Recipients of this section must constantly and duly carry out checks aimed at highlighting any risks that could lead to the crimes indicated in Article 25-undecies being committed, and in general any situation that could compromise environmental protection.

The specific control principles, defined to govern the management of the waste produced by the organization so that it is carried out in accordance with the regulatory and authorization requirements in force, provide for the definition of roles, responsibilities and operating methods to ensure:

- compliance with all the requirements laid down by the regulations for the waste producer;
- compliance with the time limits for entries in the register for loading and unloading of waste;
- compliance with the ban on waste incineration;
- the adequacy of storage areas, including with reference to particular types of special waste (e.g. used oils), and compliance with the requirements for temporary storage (quantitative, qualitative and time limits);
- identification of the waste and any hazardous characteristics and attribution of an EWC code;
- the use, where necessary, of waste characterization analyses carried out by qualified laboratories after identifying the frequency of characterization, sampling methods and appropriate information flows to the analysis laboratories on the origin and composition of the samples to be analysed;

- monitoring of the correctness/extensiveness of the information contained in the waste analysis certificates provided by third party laboratories;
- compliance with the ban on mixing hazardous waste with non-hazardous waste and hazardous waste with different hazard characteristics;
- initial qualification and periodic verification of the possession and validity of the registrations/communications/authorizations required by waste management regulations for third parties to whom the waste produced is delivered (including the continued validity of the guarantees given, where applicable, and any other requirements contained in the specific authorizations);
- verification of the correctness and completeness of transport documentation (waste identification forms), including verification of the plates of the vehicles used and possession of the requirements of the ADR standard, where applicable (signs, equipment, transport documents);
- verification of the return of the fourth copy of the form within the time limits set by the applicable regulations and the adoption the measures required by law if it is not returned;
- compliance with the requirements set out in the computerized control system for the traceability of waste; traceability of all activities relating to waste management.

The notion of waste producer referred to above is that indicated in letter f) of Article 183 of Legislative Decree 152 of 3 April 2006, as amended by Law 125 of 6 August 2015, which identifies as a producer not only the person whose activity produces waste or anyone who carries out pre-treatment, mixing or other operations that have changed the nature or composition of such waste but also "the person to whom the said production is legally attributable".

The specific control principles, defined to regulate the management of the organization's atmospheric emissions and water discharges so that they comply with the applicable regulatory and authorization requirements, provide for the definition of roles, responsibilities and operating methods to guarantee:

- identification of all points of issue and all points of discharge;
- identification of the need to apply for a new authorization or to renew, modify or update existing authorizations and the preparation of the relevant preliminary investigation, as well as the necessary checks on the completeness and accuracy of the documentation required by the authorization process;
- monitoring of the timescales for obtaining the renewal/modification of existing authorizations and communication of the fact that the authorization has been obtained, its modification and/or renewal to the people concerned;
- identification and timely monitoring of all the requirements (including one-off requirements) laid down in the authorization measures and the conduct of activities and installations, including their maintenance, so as to ensure compliance with all requirements;
- the segregation of the functions involved in the process of obtaining and managing authorization orders.

The specific control principles, defined to prevent contamination of soil, subsoil, surface water and groundwater, provide for the definition of roles, responsibilities and operating methods to ensure:

- periodic maintenance and checking of the seal of underground tanks;
- adequate and timely intervention in the event of accidental events that may lead to soil and/or subsoil pollution;
- communication pursuant to Article 242 of Legislative Decree 152/06 as amended, as soon as an event occurs which is potentially capable of contaminating the site if historical contamination is identified that may still entail the risk of aggravating the contamination situation;
- where necessary, the remediation of polluted sites in accordance with projects approved by the competent authority as part of the procedure referred to in Articles 242 et seq. of Legislative Decree 152/06 as amended.

With reference to the crimes of environmental pollution, environmental disaster and unintentional environmental offences pursuant to Articles 452-bis, 452-quater and 452-quinquies of the Italian Criminal Code, as well as the crimes of an associative nature that determine "aggravating circumstances" pursuant to Article 452-octies of the Italian Criminal Code, it should be noted that the relative risks already appear to be covered by the specific control principles defined above and by the rules provided for in the procedures, in the Code of Ethics and in the other parts of the Model to which reference is made.

In addition to the above, the definition of roles, responsibilities and operating procedures aimed at planning and implementing periodic and systematic regulatory compliance checks including the aspects provided for in Title VI - bis of the Criminal Code is envisaged.

Moreover, since the conduct of third parties to whom the organization may entrust the performance of part of its activities is important in the risk areas, the specific control principles provide for the existence of a company regulation governing the selection of suppliers, subsequent award of contracts and monitoring of services, aimed at ensuring that suppliers entrusted with activities that are relevant from an environmental point of view are suitable from a technical, professional and authorization standpoint and are contractually bound to comply with the environmental regulations in force and the specific requirements established by the organization. The objective is also to ensure that the activities are carried out in accordance with current environmental regulations and specific requirements established by the organization. In particular, this company regulation defines roles, responsibilities and operating procedures to ensure:

- definition of the information that must be given to suppliers regarding the rules and requirements to be complied with in performing their activities on behalf of the Company;

  the supervision of suppliers' operations, with particular reference to the illegal incineration of waste;

- the reporting of deviations from the provisions of current environmental regulations and the specific requirements established by the organization and the definition of corrective actions to avoid the repetition of the deviations identified;
- the traceability of all activities relating to the process of selecting and entrusting to third parties activities that are relevant from an environmental point of view and all activities relating to the process of monitoring supplier performance.

Company personnel involved for any reason whatsoever in activities with environmental impact are required to comply with the procedures laid down in this document, with the provisions of applicable law and with the rules of conduct also described in the Code of Ethics.

## E.5 PROCEDURES TO BE FOLLOWED IN RISK AREAS

All areas identified as risk areas are monitored by procedures, breach of which is considered a breach of the Model and must therefore be reported to the Supervisory Committee so that it may ascertain and then assess the seriousness, proposing, if necessary, the application of sanctions. The corporate procedures to be followed in the risk areas identified in this Special Section are set out below:

- PWITINS101 Specific Requirements – Sales;
- PWITINS501 Specific Requirements – Procurement.

# SPECIAL SECTION

# “F”

# Corporate crimes

## F.1 TYPES OF CORPORATE CRIMES AND RELATED ADMINISTRATIVE OFFENCES (ARTICLES 25-TER AND 25-SEXIES OF THE DECREE, ARTICLE 187-QUINQUIES CONSOLIDATED LAW ON FINANCE)

Below is a brief description of the crimes covered in Articles 25-ter and 25-sexies of the Decree and of the administrative offences of market abuse referred to in the Consolidated Law on Finance, considered a potential risk area for the Company.

### F.1.1 FALSE CORPORATE DISCLOSURES (ARTICLE 2621, ITALIAN CIVIL CODE)

False corporate disclosures are made by knowingly presenting in financial statements, reports or other corporate communications required by law, addressed to shareholders or the public, significant material facts that are untrue, or by omitting significant material facts the disclosure of which is required by law, on the operating results or equity or financial position of the company or group to which it belongs, in a manner that is intentionally misleading.

It should be noted that:

- the notion of "corporate communication" includes all communications required by law addressed to shareholders or the public, including draft financial statements, reports and documents to be published pursuant to Articles 2501-ter and 2504-novies of the Italian Civil Code in the event of a merger or split, or in the case of interim dividends, pursuant to Article 2433-bis of the Civil Code;
- the false or omitted information must be significant;
- the conduct must be aimed at securing an unjust profit for the perpetrator or others, deliberately executed and intentionally misleading;
- false accounting, relevant in criminal proceedings, does not necessarily mean the financial statements are invalid according to civil law;
- it is an inchoate crime and may therefore be prosecuted regardless of whether damage has occurred; moreover, it can be prosecuted ex officio;
- Italian Law 69/2015 eliminated the quantitative thresholds previously provided for exemption from punishment for accounting deviations that do not significantly alter the representation of the company;
- the Law referred to in the previous point has, however, introduced Article 2621-bis relating to minor facts (taken over from Italian Legislative Decree 231/01, introduced in Article 25-ter, paragraph 1, of letter a-bis), according to which the penalties are reduced "if the facts referred to in Article 2621 are minor, taking into account the nature and size of the company and the nature or effects of the conduct" and if "the facts referred to in Article 2621 concern companies that do not exceed the limits indicated in the second paragraph of Article 1 of Italian Royal Decree no. 267 of 16 March 1942". In that case, the crime may be indicted if an action is brought against the company, shareholders, creditors or any other recipients of the corporate reports".
- liability also extends to cases where the information concerns assets held or administered by the company on behalf of third parties.

The perpetrators of this offence are directors, general managers, financial reporting officers, statutory auditors and liquidators (offence of office).

### F.1.2 OBSTRUCTION OF AUDITING ACTIVITIES (ARTICLE 2625, ITALIAN CIVIL CODE)

This offence consists of preventing or obstructing the performance of auditing activities - legally attributed to shareholders, or other company bodies - by concealing documents or by other forms of deception.

The offence, which can only be committed by directors, can result in liability for the Organization only if the conduct has caused damage.

The offence is committed not only when, by concealing documents or by other forms of deception, the above activities are prevented, but also when they are simply obstructed.

For the purposes of this provision, account is taken of the activities carried out by members of the Board of Directors, as well as by employees who work with them, that could affect the auditing and control actions of the shareholders or other relevant corporate bodies.

These include, more precisely, activities that may affect:

- shareholder control initiatives provided for by the Italian Civil Code and other regulatory acts, such as, for example, Article 2422 of the Civil Code, which established the shareholders' right to inspect the company's books;
- the supervisory activities of the Board of Statutory Auditors, as provided for by the Civil Code and other regulations, such as, for example, Articles 2403 and 2403-bis, which establish the power of the members of the Board of Statutory Auditors to carry out inspections and audits and to request information from the directors on the progress of company operations or specific business affairs.

### F.1.3 TRANSACTIONS TO THE DETRIMENT OF CREDITORS (ARTICLE 2629, ITALIAN CIVIL CODE)

The provision sanctions directors who reduce the share capital or carry out merger or spin-off operations to the detriment of creditors.

This crime can therefore be committed by acting in any way that has the effect of causing damage to creditors.

With reference to operations to reduce the share capital, the following examples of criminal conduct may be cited: executing a resolution to reduce the share capital despite the opposition of the company's creditors or without a Court ruling.

With reference to mergers and spin-offs, an example would be execution of such operations before the deadline referred to in Article 2503(1), if the exceptions provided for therein do not apply or in the presence of opposition and without Court authorization.

Specific risk profiles can be found in activities related to:

- operations to reduce share capital (see, for example, reduction of surplus share capital, Art. 2445 of the Civil Code);
- company mergers or spin-offs (see, for example, Articles 2503 and 2506-ter of the Civil Code).

### F.1.4 FAILURE TO DISCLOSE CONFLICT OF INTEREST (ARTICLE 2629-BIS, ITALIAN CIVIL CODE)

The offence in question is committed when a member of a company's board of directors or management board causes damage to the company or to third parties by breaching the rules governing the interests of directors established by the Civil Code.

In particular, Article 2391 of the Civil Code requires the members of the Board of Directors to communicate (to the other members of the Board and to the Statutory Auditors) any interest that they, on their own behalf or on behalf of third parties, may have in a given company transaction, specifying the nature, terms, origin and scope of the transaction.

A director who has an interest in a given company transaction must abstain from it, referring it for decision by the entire board.

In both cases, the resolution of the Board of Directors must adequately justify the reasons for and benefits of the transaction.

For the purposes relevant herein, only cases in which the crime is committed in the interest of or to the advantage of the company are taken into consideration. This may apply in particular where a director of Paul Wurth Italia or Paul Wurth Energy has acted in violation of Article 2391 of the Italian Civil Code, with the intention of gaining an advantage for the Company, even if their conduct has in fact caused damage to the Company itself.

### F.1.5 EXERTING UNLAWFUL INFLUENCE ON SHAREHOLDER MEETINGS (ARTICLE 2636, ITALIAN CIVIL CODE)

This offence arises when a majority is obtained at the shareholders' meeting through simulated or fraudulent acts, in order to obtain, for the perpetrator or for others, an unjust profit. It is a "common offence", which may therefore be committed by anyone.

The purpose of this provision is to prevent fraudulent conduct from having an unlawful influence on the formation of the majority at a shareholders' meeting.

For the purposes of the provision in question, account is taken of the conduct involved in calling the meeting, allowing participation in the meeting and calculating the votes for the resolution, as well as the related support activities.

### F.1.6 MANIPULATION OF STOCK MARKET TRANSACTIONS (ARTICLE 2637, ITALIAN CIVIL CODE)

Market abuse carried out by altering the dynamics relating to the correct formation of the price of financial instruments is now punished as a crime under Article 2637 of the Italian Civil Code (stock manipulation).

Conduct constituting the crime of stock manipulation consists of:

- the dissemination of false news (information-based manipulation);
- the performance of simulated transactions or other devices capable of causing a significant alteration in the price of listed or unlisted financial instruments (action-based manipulation).

Furthermore, the crime of stock manipulation also sanctions conduct aimed at significantly affecting the public's trust in the financial stability of banks or banking groups.

### F.1.7 UNLAWFUL TRANSACTIONS WITH REGARD TO SHARES OR QUOTAS OF THE COMPANY OR OF THE PARENT COMPANY (ARTICLE 2628, ITALIAN CIVIL CODE)

The offence consists of purchasing or subscribing - except where permitted by law - shares issued or quotas of the Company (or the parent company), thereby damaging the integrity of the share capital or reserves which by law may not be distributed. Reconstitution of the share capital or reserves before the deadline for approval of the financial statements for the year in which the conduct occurred constitutes a means of extinguishing the offence.

The perpetrators of this crime are the directors. Furthermore, the directors of the parent company may be held liable as accomplices of subsidiary directors where the unlawful transactions involving the shares of the parent company are carried out by the latter at the instigation of the former.

## F.2 RISK AREAS

In relation to the foregoing Predicate Offences, the areas with the potential risk of committing these offences are as follows:

- preparation of the financial statements, notes to the financial statements and report on operations, particularly those containing information on the company's financial position and assets and liabilities;

- audits by the Board of Statutory Auditors, shareholders and auditing firm.

PWE has already adopted for some time a series of internal procedures aimed at regulating the activities described above, in order to guarantee (i) the truthfulness and correctness of corporate communications, as well as their correspondence to accounting data; (ii) the exact and correct functioning of corporate bodies, and of the control bodies and instruments provided for, also in order to avoid any activity that could unlawfully affect the share capital; (iii) the truthfulness and correctness of information disclosed outside the Company.

The analysis of the accounting data is further completed by the audit by an independent auditing firm to which PWE is subject.

## F.3 GENERAL RULES OF CONDUCT TO BE FOLLOWED IN RISK AREAS

The Recipients are expressly required to:

- adopt proper, scrupulously transparent and cooperative conduct in compliance with legislation and with all company procedures in all activities relating to and intended for the preparation of the financial statements and other company reports, in order to always give shareholders and third parties true and fair and complete information on the overall financial position and assets and liabilities of Paul Wurth Energy;
- strictly observe all laws and company procedures to safeguard the integrity and existence of the company share capital and assets, in full compliance with guarantees of creditors and third parties in general;
- make sure the corporate bodies of Paul Wurth Energy function properly, guaranteeing and facilitating all internal forms of control relating to the company management and ensuring that decisions of the general shareholders' meetings are made freely and properly;
- make all the disclosures and reports required by the applicable law and regulations to the regulatory authorities promptly, correctly and in good faith, without obstructing their auditing activities in any way;
- not disseminate any news with regard to the initiatives and choices of trade partners (signing of agreements with Paul Wurth Energy, partnerships with the Company and anything else), unless this is strictly necessary and with the agreement of those same partners.

## F.4 SPECIAL RULES OF CONDUCT RELATING TO THE SPECIFIC RISK AREAS

### F.4.1 REPORTS TO SHAREHOLDERS AND TO THE PUBLIC, WHERE APPLICABLE

FINANCIAL STATEMENTS AND OTHER CORPORATE REPORTS

PWE follows the principles below when preparing the annual financial statements and report on operations:

- define the information and facts that each person or each company function must provide, define the person(s) or function(s) they must be sent to, the basis for their preparation and the deadline for their delivery;
- send and store information by means of an IT system, so that entries can be tracked and to ensure that it is always possible to identify the people who entered the data into the system;

- precise estimates of deadlines so the draft financial statements can be sent to all members of the Board of Directors and the Board of Statutory Auditors and the Independent Auditor's Report in good time before the date of approval.

### F.4.2 PROTECTION OF SHARE CAPITAL

All operations on the Share Capital that could potentially jeopardize the integrity of the share capital are and must always be based on the following principles:

- involvement of corporate management and discussion of operations with the Group Parent, the Independent Auditors and the Supervisory Committee;
- obligation of recipients to promptly report all operations with the potential for conflict of interest, also with reference to offices held in the parent company;
- the specific approval of the CEO or of the Group Parent for its operations that could impact the integrity of the share capital;
- in general, it must be possible for all the managers identified to approach and report to the Supervisory Committee on the performance of activities relating to relations with the competent Authorities.

### F.4.3 RELATIONS WITH COMPETENT AUTHORITIES

When it comes to relations with the competent authorities, where applicable there are three potential areas of relevant activities:

- the preparation and communication of regular and random information required by the Law and by regulations;
- the preparation and communication of any other information that the competent authorities may require;
- the conduct required when these authorities carry out audits.

In these cases, the activities are based on the following principles:

- the terms and methods used for communications and for internal circulation of the data required to prepare the information for the competent authorities will guarantee their maximum truthfulness and completeness;
- people in charge of relations with the different competent authorities must be designated, to ensure the truthfulness and completeness of the information collected and prepared;
- when audits are held, maximum collaboration by all the company divisions involved, prompt identification of a person in charge of the necessary activities who can guarantee maximum coordination between the company divisions involved, and the timely provision of the information requested by the auditors must be assured;

- in general, it must be possible for all the managers identified to approach and report to the Supervisory Committee on the performance of activities relating to relations with the competent Authorities;
- with specific regard to the responsible person in the event of audits, they must prepare a report on the audit implemented for the Supervisory Committee, which must be periodically updated as the audit progresses and upon its result.

## F.5 PROCEDURES TO BE FOLLOWED IN RISK AREAS

All areas identified as risk areas are monitored by procedures, breach of which is considered a breach of the Model and must therefore be reported to the Supervisory Committee so that it may ascertain and then assess the seriousness, proposing, if necessary, the application of sanctions. The corporate procedures to be followed in the risk areas identified in this Special Section are set out below:

- PWITINS911R00 Relations with the Public Administration;
- PWITINS912R00 Appointment of commercial agents/consultants;
- PWITINS913R00 - Management of bank transfers;
- PWITINS914R00 Cash in hand procedure;
- PWITINS915R00 Preparation of the financial statements.