OFFICINE MACCAFERRI ITALIA S.r.l.

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 231/2001

GENERAL SECTION

Edizione n. 1 – 30 Aprile 2019

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Definitions

In addition to any definitions elsewhere specified in this Organization, Management and Control Model, the following terms will have the meaning specified below.

Assembly: the Shareholders' Meeting of Officine Maccaferri S.p.A.

c.c.**:** Italian Civil Code;

c.p.**:** Italian Criminal Code;

c.p.p.**:** Italian Code of Criminal Procedures;

CCNL**:** National Collective Bargaining Agreement for employees in the tertiary sector, trade, distribution and services.

Code of Ethics**:** the Code of Ethics of SECI Group adopted by Officine Maccaferri Italia S.p.A.

Computer System**:** it is the set of physical ("hardware") and abstract ("software") elements that make up a processing apparatus.

Consultants: persons who entertain collaborative relationships with the Company without any bond of subordination, commercial representation and other relationships that result in a non-subordinate professional service, both continuative and occasional, as well as those, by virtue of specific mandates and powers of attorney, represent the Company towards third parties.

Decree or Legislative Decree 231/2001: the Legislative Decree 8 June 2001 no. 231, containing the "*Regulation of the administrative responsibility of legal entities, companies and associations, even without legal personality, pursuant to Article 11 of the Law 29 September 2000 no. 300*", from time to time in force.

Employees: persons subject to the management or supervision of persons who perform functions of representation, administration or management of the Company, *i.e.* all persons who have an employment relationship, regardless of their nature, with the Company as well as workers with para-subordinate employment contracts.

Entities**:** legal entities, companies and associations also without legal personality.

***Maccaferri Group*:** the Maccaferri Industrial Group companies.

Model: this Organization, Management and Control Model adopted by Officine Maccaferri S.p.A. pursuant to article 6 and article 7 of Legislative Decree no. 231/2001 and related annexes.

***OM*:** Officine Maccaferri S.p.A.

***OMI (or "Company")*:** Officine Maccaferri Italia S.r.l.

***Person in charge of a public service*:** the person who carry out the activities pertaining to the care of public interests or the fulfilment of general interest needs subject to the supervision of a Public Administration.

***Public Administration*:** all the administrations of the State, including schools of all levels and educational institutions, companies and administrations of the State with autonomous regulations, the Regions, the Provinces, the Municipalities, mountain communities, and their consortia and associations, university institutions, autonomous social housing institutions, chambers of commerce, industry, crafts and agriculture and their associations, all national, regional and local public non-economic bodies, administrations, companies and bodies of the National Health Service, the Agency for the Representation of Public Administration (ARAN) and the Agencies referred to in Legislative Decree 30 July 1999 no. 300.

***Public body*:** body governed by public law which jointly possesses the following three requirements: a) it has legal personality; b) its activity is financed on a majority basis or subject to control or supervision by the State or another local public body or body governed by public law; c) is established to meet needs in the general interest, not having an industrial or commercial character.

***Public Official*:** the person who can form or demonstrate the will of the Public Administration or exercise authoritative or certification powers.

Recipients: persons to whom the provisions of this Model apply. They are identified in par. 2.4 of the General Part of the same (*i.e.* the Top Subjects, the Subordinate Subjects and the Third Recipients).

***Reported*:** subject that, within the Reporting pursuant to Law no. 179/2017 (Discipline concerning Whistleblowing), is identified as responsible for the offense.

***Reporting pursuant to Law no. 179/2017*:** communication of the Whistle-blower concerning a suspect or awareness of an offense committed by the Reported.

***Risk-prone areas/activities*:** company activities in areas where there is a risk that the crimes specified by the Legislative Decree No. 231/2001 might be committed.

***SECI*:** Società Esercizi Commerciali Industriali S.p.A., the holding company of the Maccaferri Group.

Sole Director or Governing Body: the Sole Director of Officine Maccaferri Italia S.r.l.

***Supervisory Authority*:** means the Ministry of Economy and Finance, Consob, the Antitrust Authority, the Privacy Guarantor, the Bank of Italy, ISVAP, the Finance Guard, the Revenue Agency, the Customs Agency, as well as any other competent supervisory authority.

Supervisory Body: OMI's Supervisory Body with autonomous powers of action and control, with the task of supervising the functioning and observance of the Model and of updating it.

Suppliers: those who provide goods or services in favour of the Company.

***Telematic system*:** it is any communication system in which the exchange of data and information is managed with telecommunication technologies.

***TUB*:** Italian Consolidated Law on Banking and Credit Law, pursuant to Legislative Decree no. 385/1993.

***TUF*:** Italian Consolidated Law on Financial Investments, pursuant to Legislative Decree no. 58/1998

***Whistle-blower*:** the subject indicated in art. 5, paragraph 1, lett. a) and b) of Legislative Decree no. 231/2001 which carries out a Reporting pursuant to Law no. 179/2017.

The singular definitions include the plural and vice versa; where allowed, masculine definitions imply feminine and vice versa.

1. Legislative Decree 8 June 2001, no. 231

1.1 General overview

Legislative Decree 231/2001 introduced into Italian legal system the administrative responsibility of the Entities in case commission or attempted commission of some types of crimes or administrative offenses in the interest or to the advantage of the Company by:

a. persons who perform representation, administration or management functions of the Company or of an organizational unit, endowed with financial and functional autonomy, as well as persons who exercise, even *de facto*, the management and control of the same, pursuant to art. 5, paragraph 1, lett. a) of Legislative Decree no. 231/2001 (so-called "**Top Manager**");

b. persons subject to the direction or supervision of the Top Management. This definition includes subordinate and para-subordinate employees and collaborators of the Company of any rank and by virtue of any type of contractual relationship, pursuant to art. 5, paragraph 1, lett. b) of Legislative Decree no. 231/2001 (so-called "**Subordinated Subjects**");

c. persons who, although not belonging to the Company, operate on behalf of or in the interest of the same under existing contractual relationships. This definition includes consultants, outsourcers, suppliers, distributors, business agents and commercial partners (so-called "**Third Party Recipients**").

The Decree aimed at adapting the internal legislation on the liability of legal persons to certain International Conventions (so-called "**Convention/s**") to which Italy had already long ago joined. In particular, it refers to the following deeds:

- Brussels Convention of July 26, 1995 on the protection of the financial interests of the European Communities;
- Brussels Convention of May 26, 1997 on the fight against corruption involving officials of the European Community or EU Member States;
- OECD Convention of December 17, 1997 on the fight against bribery of foreign public officials in economic and international transactions.

It is a system of autonomous responsibility, characterized by assumptions and consequences distinct from those envisaged for the criminal liability of the individual. The Entity's responsibility also exists in the event that the natural person who committed the crime is not identified or is not punishable.

The legislation provides for a so-called "administrative" liability of the Entities following the commission of certain crimes (so-called "***predicate offenses***") committed in their interest or to the advantage of persons in charge, employees or even only in functional relationship with the Company itself.

On the meaning of "interest" and "advantage", the governmental Report on the Decree attributes to the former a "subjective" value, referring to the will of the material offender (he must have acted with the aim of creating a specific interest of the Company), while to the second an "objective" value, referring to the actual results of its conduct (the reference is to cases in which the offender, although not directly targeting an interest of the Company, however realize an advantage in its favour).

In addition to the aforementioned objective and subjective elements, in order to ascertain the responsibility of the Entity, the Decree also requires for the guiltiness. This requirement is attributable to an "organizational guilt", to be understood as a failure by the Entity to adopt an adequate preventive measures to prevent the commission of crimes.

The purpose of the legislator is to involve in the punishment of some crime the Company's assets and the economic interests of its members, in order to draw the attention of interested persons to a greater control of the regularity and legality of the Company's business, also in a preventive function.

Regarding the nature of both requirements, it is not necessary that the interest or the benefit has an economic content. Paragraph 2 of art. 5 of Legislative Decree 231/2001 delimits the responsibility of the Entity. It excludes the cases in which the crime, although beneficial for the same, is committed by the subject exclusively pursuing his own interests or that of third parties. The provision should be read in conjunction with that of art. 12, first paragraph, lett. a), where an attenuation of the pecuniary sanction is established for the case in which "*the offender has committed the fact in the prevailing interest of his own or of third parties and the Entity has not obtained any advantage or has received the least advantage*". If the interest of the offender prevails over that of the Entity, it will be possible to mitigate the sanction provided, on the condition that the Entity itself has not benefited, or has had the least advantage, from the commission of the crime.

In the case in which it is ascertained that the subject has exclusively pursued a personal or a third-party interest, the Entity will be totally exempt from any liability.

The liability of the Entity can also occur in the case of attempted crime (pursuant to art. 26 of the Decree), *i.e.* when the author carries out acts unequivocally aimed at committing the crime and the event does not occur.

1.2 Crimes and administrative offenses relevant to the law

For the purposes of qualifying the administrative liability of the Company, only the types of offenses specifically indicated in the Decree, and its subsequent amendments and additions, are relevant.

The "crime categories" currently provided for by the Decree are listed below. Please refer to annex 1 "list of predicate offenses" to this document for the detail of crimes included in each category:

A.1) CRIMES AGAINST THE PUBLIC ADMINISTRATION AND ITS ASSETS (artt. 24 and 25 of the Decree)

A.1*bis*) INDUCEMENT NOT TO MAKE STATEMENTS OR TO MAKE FALSE DECLARATIONS TO THE JUDICIAL AUTHORITY (art. 25-*decies* of the Decree)

B.1) CYBERCRIMES AND UNLAWFUL DATA PROCESSING (art. 24-*bis* of the Decree)

B.1*bis*) CRIMES RELATED TO INFRINGEMENT OF COPYRIGHTS (art. 25-*novies* of the Decree)

C.1) CORPORATE CRIMES (art. 25-*ter* of the Decree)

C.1*bis*) CORRUPTION BETWEEN INDIVIDUALS AND INSTIGATION TO CORRUPTION AMONG PRIVATE INDIVIDUALS (art. 25-*ter*, lett. s-*bis*), of the Decree)

D.1) MANSLAUGHTER BY CRIMINAL NEGLIGENCE AND SERIOUS OR VERY SERIOUS ACCIDENTAL INJURY COMMITTED IN BREACH OF LEGISLATION GOVERNING THE SAFEGUARDING OF WORKPLACE HEALTH AND SAFETY REGULATIONS (art. 25-*septies* of the Decree)

E.1) CRIMES COMMITTED BY CRIMINAL ORGANIZATIONS (art. 24-*ter* of the Decree)

E.1*bis*) OFFENCES REGARDING FORGERY OF MONEY, PUBLIC CREDIT INSTRUMENTS, REVENUE STAMPS AND INSTRUMENTS OR DISTINCTIVE SIGNS (art. 25-*bis* of the Decree) **CRIMES AGAINST INDUSTRY AND COMMERCE** (art. 25-*bis*.1 of the Decree)

E.1*ter*) CRIMES COMMITTED FOR THE PURPOSE OF TERRORISM OR SUBVERSION OF DEMOCRACY (art. 25-*quater* of the Decree)

E.1*quater*) RECEIVING, LAUNDERING AND USING MONEY, GOODS OR ASSETS OF UNLAWFUL ORIGIN (art. 25-*octies* of the Decree)

E.1*quinquies*) TRANSNATIONAL CRIMES (art. 10, Law of 16 March 2006, No. 146)

F.1) ENVIRONMENTAL CRIMES (art. 25-*undecies* of the Decree)

G.1) CRIMES AGAINST THE INDIVIDUAL (art. 25-*quinquies* of the Decree)

G.1*bis*) EMPLOYMENT OF ILLEGALLY RESIDENT FOREIGN CITIZENS (art. 25-*duodecies* of the Decree)

G.1*ter*) RACISM AND XENOPHOBIA (art. 25-*terdecies* of the Decree)

H.1) MARKET ABUSE (art. 25-*sexies* of the Decree)

The crime of female genital mutilation practices (art. 25-*quater*.1 of the Decree) and the crime of fraud in sports competitions, abusive gaming or betting practices and games of chance exercised by means of prohibited equipment (art. 25-*quaterdecies* of the Decree) also fall within the list of crimes provided for by Legislative Decree 231/2001. For these crimes there is no special section related.

1.3 The Disciplinary System provided for by the Decree

The penalties applicable to the Entities as specified in the Decree are:

i) financial penalties;

ii) disqualification measures;

iii) confiscation of the proceeds or profits relating to the crime;

iv) publication of the conviction.

The **financial penalties** are applicable whenever the responsibility of the legal entity is ascertained and they are determined by the criminal court through a system based on «quotas». The amount varies from a minimum of € 258 to a

maximum of € 1.549, in a number not less than one hundred or more than one thousand. The criminal court establishes the amount of financial penalties to be imposed on the Entity within the minimum and the maximum amount of quotas indicated by the legislator for each crime, as well as the value to be attributed to them.

The **disqualification measures**, which severely limit the freedom of action of the Entity, can also be applied to the Entity as a precautionary measure. Therefore, in the event that there are serious circumstantial evidence such as to indicate the liability of the Entity, as well as the danger of repetition of the offense, this measure can be applied before having ascertained the crime and the relative administrative offense. They may be imposed jointly and comprise disqualification from exercising the business activity; suspension or cancellation of authorizations, licenses or concessions considered functional to perform unlawful act; prohibition on entering into contracts with the public administration (unless to obtaining the services of a public service); exclusion from benefits, loans, contributions or subsidies and possible cancellation of those already granted; prohibition on publicising goods or services.

The disqualification measures do not apply (or are revoked, if already applied as a precautionary measure) if the Entity, before the opening declaration of the first instance hearing, has:

1. compensated the damage resulting from crime or repaired it;
2. eliminated the harmful or dangerous consequences of the crime (or, at least, he has worked in this regard);
3. made available to the Judicial Authority the profit of the crime in order to be confiscated;
4. eliminated the organizational deficiencies that determined the crime and adopted suitable organizational models to prevent the commission of new crimes.

The **confiscation** consists in the acquisition from the Entity of the criminal proceeds and profits by the State, save for a portion which may be restored to the injured party. When it is not possible directly to effect confiscation of the proceeds and profits of the crime, sums of money, assets or other valuable interests equivalent to the proceeds or the profits of the crime may be confiscated. The confiscation is always ordered by the sentence.

The **publication of the conviction** can be inflicted when a disqualification measure is applied to the Entity. The sentence is published by posting in the municipality in which the Entity has its main office as well as in the Ministry

of Justice's website.

1.4 The Model as dispensing circumstance from administrative liability of the Company

The Decree provides the Company with a specific form of exemption from liability if the Company demonstrates that it has adopted and effectively implemented an **Organization, Management and Control Model suitable for preventing the predicate offenses**. The Decree does not provide a specific form of exemption from personal responsibility to those who committed the crime.

The Decree also specifies the requirements that must be met by the models.

In particular:

- identify the activities in which the crimes provided for by the Decree may be committed;
- provide specific protocols aimed at planning the formation and the implementation of the Entity's decisions related to the crimes to be prevented;
- identify methods of management of financial resources suitable for preventing the commission of such crimes;
- provide for information duties towards the Body appointed to supervise the functioning and the compliance of the models;
- introduce a disciplinary system suitable for sanctioning the failure to comply with the measures indicated in the Model.

If the offence is committed by Top Managers, the Entity shall not be held liable for the crime if it can demonstrate that:

- the Governing Body has adopted and effectively implemented, prior to the commission of the crime, a Model designed to prevent the kind of crimes that occurred;
- it has entrusted to an internal body with independent powers of initiative and control the task of supervising the functioning and observance of the Model and its updating;
- the persons committed the crime by fraudulently bypassing the Model;
- there has not been a lack of or insufficient supervision by the Supervisory Body.

On the contrary, if the crime is committed by Subordinated Subjects, the Entity is responsible if the commission of the offence has been made possible by the non-observance of the management and supervision obligations. In any case, this inobservance is excluded if the Entity, prior to the commission of the crime, has adopted and effectively implemented a Model designed to prevent the kind of crimes that occurred.

In particular, for the purpose of an effective implementation of the Model, the Decree requires:

- a periodic verification and the possible modification of the Model itself when significant violations of the provisions are found or when changes occur in the Company's organization or activity;
- the concrete application of a disciplinary system suitable for sanctioning the failure to comply with the measures indicated in the Model itself.

2. The Model of the Company

2.1 Foreword

The Company

OMI sells products in double-twisted wire mesh, geo-synthetics and geo-membranes, products for river works, territory defence and hydraulic arrangement, environmental protection and naturalistic engineering, as well as technical assistance on such products.

The Company has adopted and implemented the Quality Management Manual, which is compliant with the UNI EN ISO 9001:2015 standard and achieved compliance with the environmental requirements of ISO 14001:2015.

The *Corporate Governance* of *the Company*

The Company is managed by a Sole Director. Some special prosecutors have also been appointed. The Company has a monocratic control body.

The reference Group

The Company is controlled by OM, in turn controlled by SECI, and is subject to the management and coordination of the latter. SECI is the *Holding Company* which controls the investments of the Maccaferri Group Companies.

In its capacity as parent company, SECI manages certain functions for subsidiaries, providing various types of management assistance services under specific service contracts.

In particular, SECI (directly or indirectly through internal resources and/or consultants) provides management assistance services to (a) Human Resources Department, (b) Legal and Corporate Affairs Department, (c) Institutional Affairs and Communication Department.

Furthermore, OM, as the direct parent company of OMI, offers its subsidiary different types of services such as: (a) technical and marketing services, and (b) operational consulting, administrative services and other assistance services.

Supply of services:

- are provided pursuant to and in accordance with the provisions of the Code of Ethics and the Model approved by SECI and OM;

- must be governed by a specific written contract that must be communicated to SECI's, OM's and OMI's Supervisory Body.

2.2 Structure of the Model

This Model was approved by the Sole Director on **30/04/2019**.

The Model is structured in a General Section and several Special Sections, aimed at overseeing the risk-prone activities identified below.

The General Section describes the content of the Decree, the principles and the purposes of the Model, the role of the Supervisory Body, the Model communication system and the staff training, as well as the disciplinary system and the Code of Ethics.

The Special Sections have the purpose of defining the management rules and the behavioural principles that all the Recipients of the Model must follow in order to prevent the commission of the crimes provided for by the Legislative Decree 231/2001, as well as ensuring fairness and transparency in the business activities.

The integration of this Model, with other Special Parts or with the updating of the existing one, is delegated to the Governing Body of the Company, by means of specific resolutions. It must intervene if, due to legislative or organizational changes occurred in the meantime, the number of relevant crimes provided for by the Decree or the Company activities have been extended or otherwise modified.

2.3 Aims pursued with the adoption and updating of the Model

The Company appreciates the need for fairness and transparency in the business activities, in order to protect its position and image, the expectations of its *stakeholders* and the work of its employees and is aware of the importance of having an updated internal control system suitable to prevent the commission of crimes provided for by the Decree. Therefore, the Model predisposes the instruments to monitor the risk-prone processes, to allow an effective prevention of illicit behaviours, to ensure timely corporate action against acts committed in violation of company rules and to ensure the adoption of the necessary disciplinary measures of sanctions and repressive nature.

The purpose of the Model is to ensure a structured and organic system of *ex ante* control procedures and activities, that aims to prevent, as far as possible,

the crimes referred to in the Decree, by identifying the risk-prone activities and their consequent regularisation.

On the one hand, the adoption of the procedures contained in this Model must lead to a full awareness in the potential offender that the commission of an offense is strongly condemned and contrary to the interests of the Company, even in the hypothesis in which the latter could, theoretically, benefit from such conduct. On the other hand, due to constant monitoring of the activity, the adoption of the Model procedures must allow the Company to promptly intervene to prevent the commission of the predicate offenses.
With the adoption of the Organization, Management and Control Model, and subsequent update, the Company expects to:

- ensure that all the Recipients, with particular reference to those who work in the "sensitive areas", are fully aware of the fact that any breach of the conditions laid down in the Model may result in liability and sanctions not only for individuals but also for the Company;
- ensure that such persons are fully aware of the fact that such illicit behaviours are strongly condemned by the Company. Illicit behaviours are always and in any case contrary to the provisions set by the law, the corporate culture and the ethical principles assumed as guidelines in the business activity;
- allow the Company to promptly intervene to prevent or to counteract the commission of crimes or at least to significantly reduce the damage caused by them;
- improve the *corporate governance* and the corporate image.

Verification is also necessary whenever significant organizational changes occur, particularly in areas already identified as being at risk..

The preparation of this Model is inspired by the Guidelines issued by **Confindustria** on this matter, as at March 2014.

In line with the Code of Ethics adopted by the Company, the Model identifies the rules and the procedures that must be respected by all Recipients, *i.e.* by those who act on behalf of or in the interest of the Company in the context of risk-prone activities.

2.4 Recipients of the Model

The principles and the provisions laid down in this Model must be respected by Top Managers, Subordinated Subjects and Third Party Recipients.

All recipients must comply with the provisions of the Model, the laws and regulations currently in force.

The Top Managers must, in particular:

- ensure the information, training and sensitization of the Subordinated Subjects on the behaviour to be held performing of their activity;
- respect the principle of transparency in taking all corporate decisions;
- perform control and supervision functions for the Subordinated Subjects. This form of control takes on particular importance for those who work with Public Bodies, Supervisory Authorities and those in charge of public service;
- terminate the contract with the Third Party Recipient if they become aware of the conduct and/or procedures for which the application of Legislative Decree 231/2001 is envisaged.

Consultants and suppliers, to whom the principles and control rules contained in the Special Section are considered to be extended in relation to the specific area of activity in which they operate, are also required to comply with the Model.

The Company will not start/continue any business relationship with third parties who do not intend to adhere to the principles set forth in this Model or in the Code of Ethics.

2.5 The construction and the update of the Model

The drawing-up and the update of the Model has resulted in:

- a risk assessment aimed at identifying the risk-prone areas/activities, with reference to crimes provided for by the Decree through the analysis of the company's documents made available by the Company (by way of example: by-laws, certificate of the Chamber of Commerce, minutes of the corporate bodies, etc.);
- the analytical examination of sensitive areas, with a prefiguration of the methods and instruments through which the crimes specified by the Decree might be committed by the Company, its administrative bodies,

employees and by the figures indicated on art. 5 of the Decree (also through meetings or interviews with interested parties);

- the identification of the internal rules and the existing procedures – whether formalized or not – with reference to the risk-prone areas;
- the regulation of the methods of management of financial resources suitable for preventing the commission of crimes;
- the identification of the person/s in charge of supervising the effective application of this Model with simultaneous draft of the related regulation and reporting system to and from the Supervisory Body;
- the adoption of the Code of Ethics;
- the creation of a disciplinary system suitable for sanctioning both the failure to comply with the measures laid down in the Model and any breach of the Code of Ethics.

In carrying out the aforementioned analysis, both the activities in which the risk of commission of the predicate offenses may materialize and the areas within which instrumental activities to such crimes may carried out, take on importance.

The detection of the specific existing control elements in order to assess the effectiveness of crime prevention (so-called *as-is analysis*), as well as the definition of any initiatives to integrate and/or strengthen existing safeguards (in light of the outcomes of the special *gap analysis*) is attached to the mapping of the potential risk-prone operational areas (so-called "*map of risk-prone areas*").

With a specific resolution the Sole Director, in order to effectively implement the Model and in compliance with the provisions of the Decree, has appointed a specific Supervisory Body endowed with financial autonomy and initiative and control powers to ensure the functioning, effectiveness and observance of the Model.

2.6 Adoption and subsequent amendments of the Model

The Model has been expressly set up for the Company based on the current situation of company activities and operational processes. It is a living tool corresponding to the needs of corporate prevention and control; consequently, it must periodically check that the Model complies with the aforementioned requirements, making the necessary additions and amendments over time.

The verifications are carried out by the Supervisory Body, which may avail itself of the collaboration and assistance of external professionals, and then the additions and changes that are necessary or appropriate from time to time are offered to the Governing Body. The latter is in charge for the adoption, additions and amendments of to the Model.

The decisions on the implementation of this Model must be adopted by the Governing Body, by evaluating and approving the necessary actions for the implementation of the Model.

The Supervisory Body is in charge of overseeing the observance and effective implementation of the Model.

2.7 The Code of Ethics

Finally, in order to outline the structure of the Company in a comprehensive way, it is necessary to briefly mention the function and content of the Code of Ethics. The adoption by the Company of ethical principles relevant to the transparency and correctness of the corporate activities and useful for the purposes of preventing crimes pursuant to Legislative Decree 231/2001, constitutes an essential element of the control system.

These principles are included in the Code of Ethics, which is integrated with the conduct rules contained in this Model, or in an official document, approved by the Top Management, containing the set of rights, duties and ethical principles adopted by Company towards “stakeholders” (employees, suppliers, customers, public administration, property, third parties).

It aims to recommend, promote or prohibit certain behaviours, beyond and independently from what is provided for by the Law, defining the “business ethics” principles that the Company recognizes as its own and on which all Recipients are bound to comply.

3. The Supervisory Body

3.1 Requirements of the Supervisory Body

Pursuant to art. 6, paragraph 1, letter b), of Legislative Decree 231/2001, the task of continuously monitoring the effective functioning and compliance with the Model, as well as proposing its updating, is entrusted to a Supervisory Body, established by the Company, with independent functions, as well as adequate professionalism regarding the risks control related to the specific activity carried out by the Company.

The Sole Director appoints the Supervisory Body by specific resolution, who is chosen exclusively on the basis of professionalism, honourableness, continuity of action, autonomy and independence, as better specified below. The remuneration of the Supervisory Body is determined by the Sole Director at the time of the appointment.

The Supervisory Body is composed of one member who remains in office for three years. The Supervisory Body can be re-elected and in any case, upon expiry of the mandate, the sole member of the Supervisory Body remain in office until the appointment of the new Supervisory Body by the Sole Director.

Autonomy and Independence: the Supervisory Body must be free of any form of interference and/or influence by or from the Top Management and it must not be involved in any way in the exercise of operational activities and management decisions. The Supervisory Body must not be in a situation of conflict of interest and must not be attributed to the Supervisory Body operational tasks that could undermine their autonomy.

The requirement of autonomy and independence must also be understood as the absence of parental relationship and hierarchical dependency constraints with the Company's Top Management or with individuals with operational powers.

The Supervisory Body must report directly to the Sole Director, thus reducing the risk of interference.

Professionalism: the individual members of the Supervisory Body must possess the technical and professional skills necessary to carry out the functions assigned to them. The professionalism and authoritativeness of the Body are connected to the professional experiences of its member. In this sense, the careful examination of the curricula of possible candidates is of

primary importance for the Company, who gives its preference to profiles that have acquired specific professional skills in this field.

Continuity of action: the Supervisory Body has autonomous powers of initiative and control and has its own internal regulation. It also avails itself of the Corporate Legal Department, which supports the operations of the Supervisory Body also to ensure the constant dialogue with the other corporate structures aimed at carrying out the necessary investigations and verifications.

Honourableness: the Supervisory Body are appointed by the Sole Director of the Company which has expressly established the following causes of **ineligibility**.

The persons mentioned below cannot hold the office of member of the Supervisory Body:

- those who are in the conditions laid down in art. 2382 c.c., that are those who have been convicted by a sentence that involves the interdiction, even temporary, from public offices or the incapacity to perform managerial functions;
- the spouse, the relatives and the cognate within the fourth degree of the Sole Director of the Company. The Sole Director, the spouse, the relatives and the cognate within the fourth degree of the directors of the controlled companies;
- those who are in conflict of interest, direct or even merely possible, which may compromise their independence and autonomy with regard to the performance of the functions and/or duties of the Supervisory Body;
- those who are investigated for one or more crimes provided for by Legislative Decree 231/2001;
- those who have been convicted by a sentence (even if not definitive) or plea bargain, for one or more crimes provided for by the Decree.

The Supervisory Body, as well as the subjects of which the Body avails itself, are bound by the obligation of confidentiality on all information received performing their functions or activities.

3.2 Causes of ineligibility, removal, suspension and termination from the appointment

The Sole Director of the Company has expressly established the following causes of **ineligibility**.

Therefore nobody can be elected as a member of the Supervisory Body if:

- he has been convicted by final judgment or by plea bargain, and even if he has been convicted by suspended sentence, without prejudice to the effects of rehabilitation:
  1. to more than one year in prison for committing one of the crimes provided for by the Royal Decree of 16 March 1942, no. 267;
  2. to a custodial sentence for a period of not less than one year for committing one of the offences provided for by the rules governing banking, financial, securities, insurance and the rules on markets, securities and payment instruments;
  3. to more than one year in prison for committing a crime against the public administration, public faith, property, public economy or a tax crime;
  4. to more than two years in prison for committing any culpable offences;
  5. for one of the crimes provided by Title XI of Book V of the Civil Code as amended by Legislative Decree 11 April 2002, No. 61;
  6. for any crime that entailed the interdiction, even temporary, from the public offices or the temporary interdiction from the management of legal entities and companies;
  7. for one or more crimes among those strictly provided for by the Decree, even if the sentences are lower than those indicated in the previous points;
- any prevention measures, under art. 10, paragraph 3, of Law 31 May 1965, no. 575, as replaced by art. 3 of Law 19 March 1990, no. 55 and subsequent modifications, has been applied against him;
- any additional administrative sanctions provided by art. 187-*quater* of Legislative Decree 24 February 1998, no. 58, has been applied against him.

The Supervisory Body must send to the Sole Director a declaration of acceptance of the appointment. It also must draw up a self-authentication that certifies that it is not in any of the aforementioned situations, committing themselves to communicate to the Governing Body any changes to the content of those declarations.

Any **removal** of the Supervisory Body may only take place due to serious breach of their duties, including the following causes of forfeiture and breach of confidentiality, by resolution of the Sole Director of the Company.

In particular, in the event of impediment with a duration of more than three months, the Supervisory Body informs the Governing Body of the impediment, in order to evaluate the opportunity to replace such Body.

Furthermore, the Supervisory Body **falls from its office** when:

- it is convicted with final judgment or plea bargain for one of the crimes indicated in the previous conditions of ineligibility;
- it has breached the obligation of confidentiality strictly related to their duties;
- during the course of the office, the requirements that determined the identification of the member at the time of the appointment are no longer met.

These last circumstances involve the automatic disqualification from the office.

The Sole Director, after ascertaining the existence of the cause of disqualification, shall promptly replace the Supervisory Body deemed unsuitable.

Any removal of the Supervisory Body may be ordered, only for a just cause, by the Governing Body.

The Supervisory Body is also **suspended** from its office in the hypothesis of:

- conviction with a non-final judgment for one of the crimes indicated in the previous conditions of ineligibility;
- application of a personal precautionary measure;
- temporary application of one of the prevention measures provided for by art. 10, paragraph 3, of Law 31 May 1965, no. 575, as replaced by art. 3 of Law 19 March 1990, no. 55, and subsequent modifications.

In particular, in the event of suspension the Sole Director is in charge for the replacement of the Supervisory Body.

3.3 Functions and powers of the Supervisory Body

The following powers are attributed to the Supervisory Body:

- to supervise on the functioning and observance of the Model. For this purpose it shall periodic verify that the Model is respected by all the risk-prone units/areas, in order to ascertain that the established rules and

safeguards are followed as faithfully as possible and that they are actually suitable to prevent the highlighted crimes;

- to request information autonomously to all the Top Managers and employees of the Company, as well as to external collaborators and consultants, and to have access to the documentation related to the activity carried out in the risk-prone areas;
- to periodically receive information from the managers of the risk-prone areas;
- to monitor the correct compliance of all subjects working for any reason in the Company with regard to the Code of Ethics and all the provisions contained therein;
- to monitor the proper functioning of the control activities for each risk-prone area, and to promptly report anomalies and malfunctions of the Model, after comparison with the areas and/or functions involved;
- to verify the effective dissemination of the Model to the Recipients;
- in case of violation of the Model, to coordinate with the managers of the relevant functions and/or business areas in order to apply the necessary disciplinary measures;
- to report to the Governing Body any updates and adjustments to the Model in accordance with changes in law and jurisprudence, as well as changes to the company organization;
- to avail itself of external consultants to whom to delegate specific areas of investigation.

Within the scope of these general powers, the Supervisory Body performs the following tasks:

- periodically carries out, on its own initiative or on received reports, verifications on certain transactions or on specific acts carried out within the Company, and/or verifications on external parties involved in the risk-prone processes. During these verifications, access must be allowed to the Supervisory Body to all the documentation that the latter deems necessary for carrying out the verification itself;
- coordinates with the Sole Director the necessary training for the dissemination to the Company staff, as well as to any external collaborators in close connection with the Company, of the Model and preventive protocols on the risk-prone activities (in this activity it may be supported by additional internal or external collaborators);

- receives, from the various company managers, the documentation relating to the risk-prone activities (*i.e.* the evidence sheets of the risk-prone activities);
- conducts reconnaissance of the corporate activity for the purpose of updating the map of risk-prone activities;
- collects, formalizes in a standardized manner and preserves any information and/or reports received relating to the commission of any offenses (effective or simply suspected) and violations of the Code of Ethics or the Model.

In order to guarantee the independence in the execution of the activities and the maximum possibility of investigation within the scope of the verifications carried out by the Supervisory Body, the Sole Director ensures the Supervisory Body the availability of the material and human resources necessary to perform the tasks assigned to it and, in any case, guarantees the Supervisory Body the financial autonomy necessary to carry out the activities provided by art. 6, paragraph 1, letter b) of Legislative Decree 231/2001.

The Supervisory Body, within its functions, may dispose of the financial resources ensured by the Sole Director according to its own needs, subject only to the written request that must be forwarded by the Supervisory Body to the administrative offices of the Company. Once the related activities have been completed, the Supervisory Body is obliged to document the expenses incurred.

The Supervisory Body meets, except in urgent situations and special cases, at least quarterly.

All information, documentation and reports collected during the institutional tasks must be filed and kept for at least ten years by the Supervisory Body, keeping them confidential, also in compliance with the privacy regulations.

3.4 Supervisory Body's Collaborators

For the purpose of carrying out their respective duties, the Company takes care of the efficiency of the cooperation between the Supervisory Body and the other control bodies existing at the Company itself,.

To carry out its tasks, the Supervisory Body can avail itself of the corporate functions that, from time to time, are identified by the same.

The Supervisory Body can also avail itself of internal collaborators (that is, of the Company's employees).

Internal collaborators:

- during their assignment, are functionally subordinated to the Supervisory Body;
- cannot be used for audits regarding the origin corporate entities;
- during their assignment, shall be entitled to the same guarantees provided for members of the Supervisory Body.

The Supervisory Body can also avail itself of the collaboration of third parties/external collaborators with the requirements of professionalism and expertise. These collaborators must be suitable to support the Body in the verifications that require specific technical knowledge.

Upon appointment, these collaborators must issue to the Supervisory Body a special declaration stating that they possess all the above-mentioned requisites.

Due to a specific authorization of the Supervisory Body, internal and external collaborators may also individually proceed with the supervisory activities deemed to be appropriate for the functioning and observance of the Model. In any case, the results and the conclusions of the verification carried out must be promptly communicated to the Supervisory Body that verbalizes the ratification.

3.5 Reporting activities of the Supervisory Body

The Supervisory Body, in order to guarantee its full autonomy and independence in discharging its functions, reports directly to the Governing Body of OMI on the implementation of the Model and the critical profiles emerged through two reporting-lines: the **first**, on an **ongoing basis** and the **second one**, on a **six-monthly basis** (on 31st July and 31st January of each year). Communications must be done through a written report that must indicate clearly the activity carried out during the semester, both in terms of checks carried out and outcomes obtained and in terms of eventual necessities of updating the Model.

Furthermore, the Supervisory Body must annually schedule the activities for the following year into a plan in which the activities to be carried out and the areas to be verified are identified and the timing and priority of the interventions are established. The Supervisory Body may, however, carry out controls not provided for in the plan, within the context of sensitive business activities and whenever it deems it necessary to perform its functions (so-called “surprise checks”).

The Supervisory Body may request to be heard by the Sole Director whenever it deems appropriate to interact with that body; likewise, the Supervisory Body

is granted the possibility to request clarifications and information to the Governing Body.

Moreover, the Supervisory Body may be convened at any time by the Sole Director to report on particular events or situations related to the operation and observance of the Model.

The aforementioned meetings must be recorded and a copy of the minutes must be kept by the Supervisory Body (as well as by the bodies who are from time to time involved), according to the procedures set out in the following paragraph.

3.6 Information flows to the Supervisory Body

Art. 6, paragraph 2, lett. d), Legislative Decree 231/2001 identifies, among the requirements to which an organizational model must comply, the explicit provision of information duties towards the body appointed to oversee the operation and the observance of the Model itself.

Such duties represent an essential instrument in order to facilitate the supervisory activities on the implementation, compliance and adequacy of the Model. Where crimes have been committed, such duties facilitate the retrospective assessment of the causes that have made it possible.

All Recipients of this Model are subjected to interim reporting to the Supervisory Body

The Recipients of this Model, and in particular the business areas Managers, are also required to send, by way of example, to the Supervisory Body the information concerning:

- measures and/or news coming from judicial police, or from any other authority, reflecting the investigation carried out by them, also the one related to unknown persons, for the types of crimes envisaged by the Decree, and that are connected to the Company;
- visits, inspections and investigations carried out by the competent bodies (regions, regional bodies and local authorities) and any judgments and penalties imposed;
- requests for legal assistance from individuals within the Company, in the case of a judicial proceeding for one of the crimes provided by the Decree;
- reports drafted by the corporate structure within their control activities, in which critical elements may emerge in accordance with the provisions of the Decree;

- periodically, news relating to the effective implementation of the Model in all risk-prone areas;
- periodically, news relating to the effective compliance with the Code of Ethics at all company levels;
- information on the evolution of activities concerning the risk-prone areas;
- the system of delegations and powers of attorney adopted by the Company.

The information flows must reach the Supervisory Body via e-mail at odv_OMI@maccaferri.com.

3.7 Reporting pursuant to Law no. 179/2017 (whistleblowing)

The Law No. 179/2017 regulates the protection of those who report illicit and irregularities of which he became aware due to his employment relationship, known as "***Whistleblowing***". This legislation has included, within the scope of art. 6 of the Decree, the obligation for the Company to provide in the Model for:

- adequate information channels which, guaranteeing the confidentiality of the reporter's identity, allow the Top Managers, Subordinated Subjects and Third Party Recipients to present reports of illegal conduct or breaches of the Model;
- at least one alternative reporting channel that guarantees the confidentiality of the Whistle-blower;
- the prohibition of acts of retaliation or discrimination against the Whistle-blower for reasons connected, directly or indirectly, to the Reporting pursuant to Law no. 179/2017.

The management of the Whistleblowing contributes not only to identify and counteract possible offenses and to spread the culture of ethics and legality within the Company, but also to create a climate of transparency and a sense of participation and belonging, generated by overcoming the fear of employees to be retaliated by corporate bodies or colleagues, or the risk of having their report unheard.

Pursuant to paragraph 2 *bis* of the aforementioned art. 6, the Report pursuant to Law No. 179/2017 must concern unlawful conduct, relevant pursuant to the Decree, or violations of the Model and of the Code of Ethics of which the *Whistle-blower* has become aware on the basis of the functions performed.

Addressee of the Reporting pursuant to Law no. 179/2017 is the "Whistleblowing Committee", established to support top management at SECI ad composed by a member of the SECI Board of Statutory Auditors, the Chairman of the SECI Supervisory Body, the Group Data Protection Officer and the SECI Compliance Officer. Reporting pursuant to Law no. 179/2017 can be sent through the "Reporting Portal – Whistleblowing", accessible from the institutional website.

The methods for receiving and managing the Reporting are governed by the "Whistleblowing Procedure" made available on the Company's intranet and on the institutional website.

The Whistleblowing Committee may request clarifications from the Whistle-blower and/or to any other subjects involved in the Reporting pursuant to Law no. 179/2017, with the adoption of due caution and verifying the validity of the facts represented in the Reporting pursuant to Law no. 179/2017 by means of any activity that it deems appropriate, in compliance with the principles of impartiality, confidentiality and protection of the *Whistle-blower*'s identity. In any case, if the Whistleblowing Committee deems to proceed with a further assessment of the facts, it can avail itself of the support of the corporate control functions.

Those who violate the Whistle-blower protection measures shall be sanctioned, as well as those who carry out wilfully or grossly negligent Reporting pursuant to Law no. 179/2017 which prove to be unfounded, in line with the Disciplinary System set out below applicable in the event of violation of this Model.

3.8 Relations with the Supervisory Bodies of the companies belonging to Maccaferri Group and the Parent Company (SECI)

The OMI's Supervisory Body shall meets, at least annually, with the Supervisory Bodies of the other Maccaferri Group companies and the Parent Company, in order to achieve the appropriate information exchange and to coordinate their respective supervisory and control activities.

This cooperation is aimed at having a global vision of the Maccaferri Group's operations and related risks, so as to promote, where possible, a common preventive program and unitary corrective action, without prejudice to the complete autonomy of each Supervisory Body.

The Supervisory Body of OMI also sends its annual report to the Supervisory Body of the Parent Company SECI.

4. Diffusion of the Model and training activities

4.1 General provisions

The Company intends to guarantee the correct circulation, to those who are involved in the Company's activities, of the main issues of the Law and of the purposes and duties arising from it, as well as of the provisions of the Model.

Training and information is managed by the Supervisory Body, in coordination with the managers of the areas/functions involved.

4.2 Initial communication

This Model is communicated to all the employees by means of a specific official communication from the Sole Director and will be made available to the Recipients through company information tools.

With the signing of the employment contract the employees declare that they know and accept the Company's Model and Code of Ethics, which can be consulted in the abovementioned manner. All subsequent amendments and information concerning the Model will be communicated to the employees through official information channels.

4.3 Training of Employees

Participation in training activities aimed at diffuse the Decree, the Organizational Model and the Code of Ethics is **mandatory**.

The unjustified absence in the training sessions is considered as a disciplinary offence, in accordance with the provisions of the Disciplinary System here below.

The Company will provide for the implementation of training courses that will illustrate, according to a modular approach:

- the regulatory context;
- the Code of Ethics and the Organizational Model adopted by the Company, including the Special Sections;
- the role of the Supervisory Body and its functions.

The Supervisory Body ensures that training programs are qualitatively adequate and effectively implemented.

4.4 Disclosure to "Third Party Recipients"

The Company promote compliance with the Model by "Third Party Recipients", such as consultants, outsourcers, suppliers and agents (as well as any person who may be involved in carrying out activities in which one of the crimes referred to in the Decree might be committed) through the application of specific contractual clauses

5. Disciplinary system

5.1 General outlines

The plan for a disciplinary system suitable to tackle the failure to comply with the provisions of the Model is required by the Decree in order to exempt the Entities from the administrative liability and to guarantee the effectiveness of the Model itself.

The system itself is aimed at sanctioning the failure to comply with the principles and behavioural obligations set out in this Organizational Model. The criminal proceeding and the consequent judgment, for the commission of one of the crimes provided for by the Decree, is irrelevant to the application of disciplinary measures as a result of violation of the principles and rules laid down in this Organizational Model.

An assessment procedure is initiated after a notice of breach of the Model to the Supervisory Body, in accordance with the provisions of the worker's National Collective Bargaining Agreement. This assessment procedure is carried out by the Supervisory Body itself, in coordination with the corporate bodies responsible for the application of disciplinary measures, taking into account the severity of the actions, any recidivism and the lack or the degree of guilt.

The Company imposes, with consistency, impartiality, and uniformity, sanctions proportionate to the respective violations of the Model, through the bodies and functions specifically designated for this purpose. The sanctions imposed by the Company shall be in compliance with the current provisions on the regulation of labour relations. The sanctions for the various professional figures are indicated below. These measures expressly take into consideration the possibility of widening, in a short period of time, the company personnel and therefore they also include figures that are not currently available in the Company.

The violation affected by the sanctions are, in particular:

- the violations of the Model committed by the Top Managers, as holders of representation functions, administration and management of the Entity or one of its organizational units with financial and functional autonomy, or holders of power, also *de facto*, management or control of the Entity;
- violations of the Model committed by the members of the control bodies;

- both the violations committed by the Subordinated Subjects and by those who operate in the name and/or on behalf of the Company;
- violations of the measures aimed at protecting the employee who reports crimes as well as unfounded Reporting pursuant to Law no. 179/2017[1]. It should be noted that the violation can also be carried out through omission, drafting of altered or untruthful documentation, failure to draft the documentation required by the Model or by the procedures established for its implementation.

5.2 General criteria in order to impose penalties

In each individual case, the type and extent of the specific penalties applicable to the persons who committed the crime will be proportional to the severity of the conduct and, in any case, according to the following general criteria:

- subjective element of conduct (fraud or fault);
- importance of the binding violated obligations, in particular with regard to the provisions on health and safety workplace and to the prevention of related accidents;
- extent of the damage caused to the Company and possible application of the sanctions provided for by the Decree and subsequent amendments and additions;
- level of hierarchical or technical responsibility;
- presence of aggravating or mitigating circumstances, in particular with regard to previous work performance and previous disciplinary activities in the last two years;
- possible shared responsibility with other workers who helped to determine the lack.

[1] According to the art. 6 paragraph 2-*ter* of Legislative Decree 231/01, the adoption of discriminatory measures against the Whistle-blower referred to in paragraph 2-*bis* can be reported to the National Labour Inspectorate, in order to adopt the measures within its competence, by the Whistle-blower, or by the trade union organization. Furthermore, pursuant to the subsequent paragraph 2-*quater*, the retaliatory or discriminatory dismissal of the Whistle-blower is void. The change of duties pursuant to article 2103 c.c., as well as any other retaliatory or discriminatory measure adopted against the Whistle-blower are also void. In the event of disputes related to the imposition of disciplinary sanctions, or to demotion, dismissals, transfers, or submission of the Whistle-blower to another organizational measure having direct or indirect negative effects on its working conditions, which has followed the submission of the Reporting pursuant to Law no. 179/2017, it is the employer's responsibility to demonstrate that these measures are based on reasons unrelated to such Reporting.

In the event that, with a single conduct, multiple crimes have been committed punished with different sanctions, the most serious sanction applies.

Recidivism in the following two years automatically implies the application of the most serious sanction within the kind envisaged.

The principles of promptness and immediacy must guide the imposition of disciplinary sanctions, regardless of the outcome of a possible criminal trial.

5.3 Measures against employees

The breach of individual regulations and rules of conduct set out in the Model and in the Code of Ethics by the Company's employees always constitutes a disciplinary offence.

The sanctions applicable to employees are adopted in compliance with the procedures and guarantees provided for by applicable law.

Express reference is made to the categories of punishable events provided by the existing disciplinary system, that is to say, the contractual provisions set forth in the **CCNL**.

It should be noted that failure to comply with the provisions of the Model and/or the Code of Ethics, as well as all the documentation that forms part of them, by the employees constitutes a breach of the obligations deriving from the employment relationship pursuant to art. 2104 c.c. and disciplinary offense.

The penalty applied must be proportional to the seriousness of the breach committed. The following are the disciplinary penalties pursuant to Legislative Decree No. 231/2001:

a. **Verbal reprimand**: it applies in the case of slight non-compliances, although without external relevance, with the behavioural principles and rules of this Model, it is consider as a slight non-compliance of the contractual rules or directives and instructions given by the management or superiors.

b. **Written reprimand**: it applies in the event of failure to comply with the behavioural principles and rules set forth in this Model, with regard to non-compliance or inadequate act to the extent that it can be considered as not slight, but not serious, although with external relevance. It is consider as a not very serious non-compliance of the contractual rules or directives and instructions given by the management or superiors.

c. **Fine not exceeding four working hours salary**: it applies in the event of failure to comply with the behavioural principles and rules set forth in this Model, with regard to non-compliance or inadequate act to the extent that it can be considered of a certain gravity, even if it depends on recidivism. In other words, the fine will be applied in cases where, due to degree of hierarchical or technical responsibility, or in the presence of aggravating circumstances, the negligent behaviour can threaten, albeit at a potential level, the effectiveness of the Model. These acts include the breach of the information obligations to towards the Body in relation to the commission of the crimes, even if they were only attempted, as well as any violation of the Model. The same measure applies to those who do not participate repeatedly (physics or in any way requested by the Company), without justified reason, to the training sessions that will be provided by the Company pursuant to the Legislative Decree No. 231/2001, the Organizational Model and the Code of Ethics adopted by the Company.

d. **Suspension from work and salary until a maximum of 10 days**: it applies both in case of recidivism in the offences referred to in the previous point and in case of serious violations of procedures and provisions that can expose the Company to liability towards third parties. By way of example, this measure is applied in the case of false or unfounded reports concerning violations of the Model and the Code of Ethics, or in the event that the violation causes an injury to the physical integrity of one or more persons, including the author of the violation.

e. **Dismissal without notification**: it applies in case of serious and/or repeated breach of the behavioural rules and the rules provided by the Model, which are not in contrast with the Law and the contractual provisions, and which make it impossible to continue, albeit temporarily, the employment relationship (so-called just cause). By way of example, this measure is applied in the event of fraudulent or negligent breach of procedures and provisions of the Model having external relevance and/or fraudulent avoidance of the same, realized through a behaviour unequivocally directed to the commission of a crime included among those provided for by the Legislative Decree 231/2001 and subsequent amendments, such as to make the fiduciary relationship with the employer vanish.

In the event that it is proven that the abovementioned employees are provided with a mandate with the power to represent the Company outwards, the

imposition of a more serious penalty than that of the fine will result in the automatic revocation of the power of attorney.

5.4 Measures against Top Managers

Any breach of the behavioural principles and rules of this Model by the Top Managers, or an act that does not comply with the aforementioned provisions will be subject to a disciplinary measure proportional to the seriousness of the breach committed. For the most serious cases, a dismissal is envisaged, in consideration of the special fiduciary bond that links the Top Manager to the employer.

Illicit conducts committed by the Top Managers also include:

- the **failure to monitor** the workers hierarchically below them to ensure that they are adhering to the regulations provided by the Model;
- the breach of the information obligations towards the Supervisory Body in relation to the commission of the relevant crimes, even if it was only attempted;
- the personal incurrence of one of the breaches of the regulations set out in the Model;
- the assumption, during the performance of his functions, of behaviour that does not adhere to the conduct reasonable to expected by a Top Manager, in relation to the role played and the recognized autonomy degree.

5.5 Measures against Sole Director and Sole Statutory Auditor

With regard to the Sole Director who has committed a violation of this Model, the Assembly, promptly informed by the Supervisory Body, may apply any appropriate measure provided by the Law, including the following penalties. Even in these cases the punishment must be proportional to the seriousness of the breach committed as well as the consequences that are derived:

- formal written reprimand;
- financial penalties **from 2 to 5 times** the emoluments calculated on a monthly basis;
- total or partial revocation of any powers of attorney;
- reporting to the Assembly in order to take the appropriate measures.

In case of violations liable to be proper grounds for dismissal, the Supervisory Body proposes to the Assembly the adoption of the relevant measures for which it is responsible and provides for the additional legal duties.

In the event of a violation by the Sole Statutory Auditor, the Supervisory Body must promptly notify the Sole Director by means of a written report. In case of violations liable to be proper grounds for dismissal, the Sole Director shall convene the Assembly by forwarding the report of the Supervisory Body to the shareholders. It is for Assembly to decide on the measures to be taken.

5.6 Measures against the members of the Supervisory Body

In the event of violations of this Model committed by one or more members of the Supervisory Body, the other members of the Supervisory Body or of the Sole Statutory Auditor shall immediately inform the Sole Director. Such Governing Body, having taken note of any defensive arguments of the Reported, shall takes the appropriate measures including, for example, the revocation of the appointment.

5.7 Measures against Third Party Recipients

Any breach of the provisions of the Model by the consultants, outsourcers, agents, dealers, business partners, suppliers and by those who are contemplated from time to time among the “Third Recipients” of the Model, is punished by the competent corporate bodies, in accordance with the contractual clauses included in the relative contracts. In any case, they are sanctioned with the application of conventional penalties, which may also include the automatic termination of the contract (pursuant to article 1456 c.c.), without prejudice to compensation for any damages.

6. Disciplinary proceedings

The report duty applies to all the Recipients of this Model.

The disciplinary proceedings consists of the following phases:

a. **PRE-INVESTIGATION**, phase that is activated by the Supervisory Body following the detection or reporting of presumed violation of the Model with the aim of ascertaining its existence;

b. **INVESTIGATION**, phase that consists in proceeding to the assessment of the violation, to the contestation and to the identification of the disciplinary measure to be proposed to the Body or to the person entitled to decide.

In this phase intervene:

- the Sole Director for violations of the Model committed by employees at all levels, para-subordinate employees and interns;
- the person in charge for violations committed by third parties who have relations with the Company.

c. **DECISION**, phase in which the outcome of the procedure and the disciplinary measure to be imposed is established.

In this phase, the Sole Director intervenes:

- for violations of the Model committed by employees at all levels, para-subordinate employees and interns;
- for violations committed by third parties who have business relations with the Company.

d. **IMPOSITION** of the measure.

The disciplinary proceedings takes into account:

1. the provisions of the Italian Civil Code concerning company, employment and contracts;
2. the Labour Law regarding disciplinary sanctions pursuant to art. 7 Law no. 300/1970;
3. the Statute of OMI;
4. the current powers of representation and social signature and the functions assigned to the corporate structure;

5. the necessary distinction between the judging and the judged subject.

In order to guarantee the effectiveness of this Disciplinary System, the disciplinary proceedings must be completed within 60 days from the notification of the infringement.

For third-party Recipients, the term is extended to 90 days.

Any violation of the Model or of the procedures established therein, by anyone committed, must be communicated in writing to the Supervisory Body, without prejudice to the procedures and measures which the person entitled to decide can impose.

The Supervisory Body, during the investigations, guarantees the confidentiality of the subject against whom the proceedings is made.

ANNEX 1

LIST OF PREDICATE OFFENSES

A.1) CRIMES AGAINST THE PUBLIC ADMINISTRATION AND ITS ASSETS (artt. 24 and 25 of the Decree)

- Art. 316 *bis* c.p. – "Embezzlement of funds to the detriment of the State"
- Art. 316 *ter* c.p. – "Unlawful receipt of public grants to the detriment of the State"
- Art 317 c.p. – "Extortion"
- Art. 318 c.p. – "Corruption in the performance of duties"
- Art. 319 c.p. – "Corruption in an action contrary to official duties"
- Art. 319-*bis* c.p. – "Aggravating circumstances"
- Art. 319-*ter* c.p. – "Bribery in judicial proceedings"
- Art. 319-*quater* c.p. – "Illegal inducement to give or promise benefits"
- Art. 320 c.p.– "Bribery of a public service officer"
- Art. 321 c.p. – "Penalties for the corruptor"
- Art. 322 c.p. – "Incitement to bribery"
- Art. 322-*bis* c.p. – "Extortion, bribery and incitement to bribery of members of the European Communities and officials of the European Communities and foreign States"
- Art. 346-*bis* c.p. – "Illicit influences"
- Art. 640 c.p. – "Fraud"
- Art. 640 *bis* c.p. – "Aggravated fraud for the purpose of obtaining public funds"
- Art. 640 *ter* c.p. – "Computer fraud against the State or other public entity"

A.1*bis*) INDUCEMENT NOT TO MAKE STATEMENTS OR TO MAKE FALSE DECLARATIONS TO THE JUDICIAL AUTHORITY (art. 25-*decies* of the Decree)

- Art. 377-*bis* c.p. – "Inducement to refrain from making statements or to make false statements to the legal authorities"

B.1) CYBERCRIMES AND UNLAWFUL DATA PROCESSING (art. 24-*bis* of the Decree)

- Art. 615-*ter* c.p. – "Malicious hacking of an information or computer system"
- Art. 615-*quater* c.p. – "Unauthorised possession and distribution of access codes to information and computer systems"
- Art. 615-*quinquies* c.p. – "Distribution of computer equipment, devices or computer programs for the purpose of damaging or blocking an information or computer system"
- Art. 617-*quater* c.p. – "Wiretapping, blocking or illegally interrupting computer or information technology communications"
- Art. 617-*quinquies* c.p. – "Installing devices aimed at wiretapping, blocking or interrupting computer or information technologies communications"
- Art. 635-*bis* c.p.– "Damaging computer information, data and programs"
- Art. 635-*ter* c.p. – "Damaging computer information, data and programs used by the State or any other public entity or by an entity providing public services"
- Art. 635-*quater* c.p. – "Damaging information or computer systems"
- Art. 635-*quinquies* c.p. – "Damaging public utility information or computer systems"
- Art. 640-*quinquies* c.p. – "Computer fraud by providers of electronic signature certification services"
- Art. 491-*bis* c.p. – "Forgery of public or private electronic documents"

B.1*bis*) CRIMES RELATED TO INFRINGEMENT OF COPYRIGHTS (art. 25-*novies* of the Decree)

- Art. 171, paragraphs 1, lett. a.*bis*), and 3, L. 633/41 – "Crimes related to infringement of copyrights"
- Art. 171-*bis* L. 633/41 – "Crimes related to infringement of copyrights"
- Art. 171-*ter* L. 633/41 – "Crimes related to infringement of copyrights"
- Art. 171-*septies* L. 633/41 – "Crimes related to infringement of copyrights"
- Art. 171-*octies* L. 633/41 – "Crimes related to infringement of copyrights"

C.1) CORPORATE CRIMES (art. 25-*ter* of the Decree)

- Art. 2621 c.c. – "False corporate statements"

- Art. 2621-*bis* c.c. – "Minor instances"
- Art. 2622 c.c. – "False corporate statements by listed companies"
- Art. 2625, paragraph 2, c.c. – "Impeding company controls"
- Art.2626 c.c. – "Unlawful return of capital"
- Art. 2627 c.c. – "Unlawful allocation of profits and capital reserves"
- Art. 2628 c.c. – "Unlawful transactions regarding shares or quotas of the company or the parent company"
- Art. 2629 c.c. – "Transactions to the detriment of creditors"
- Art. 2629 *bis* c.c. – "Failure to disclose a conflict of interests"
- Art. 2632 c.c. – "False creation of share capital"
- Art. 2633 c.c. – "Improper allocation of company assets by liquidators"
- Art. 2636 c.c. – "Unlawful influence on the shareholders' meeting"
- Art. 2637 c.c. – "Stock price manipulation"
- Art. 2638, paragraphs 1 and 2, c.c. – "Hindering public supervisory authorities from performing their functions"

C.1*bis*) CORRUPTION BETWEEN INDIVIDUALS AND INSTIGATION TO CORRUPTION AMONG PRIVATE INDIVIDUALS (art. 25-*ter*, lett. s-*bis*), of the Decree)

- Art. 2635 c.c. – "Private-to-private corruption"
- Art. 2635-*bis* c.c. – "Incitement to corruption among private individuals"

D.1) MANSLAUGHTER BY CRIMINAL NEGLIGENCE AND SERIOUS OR VERY SERIOUS ACCIDENTAL INJURY COMMITTED IN BREACH OF LEGISLATION GOVERNING THE SAFEGUARDING OF WORKPLACE HEALTH AND SAFETY REGULATIONS (art. 25-*septies* of the Decree)

- Art. 589 c.p. – "Manslaughter by criminal negligence"
- Art. 590, paragraph 3, c.p. – "Serious or very serious accidental injury"

E.1) CRIMES COMMITTED BY CRIMINAL ORGANIZATIONS (art. 24-*ter* of the Decree)

- Art. 416 c.p. – "Criminal association**"**
- Art. 416-*bis* c.p. – "Mafia-type association"

- Art. 416-*ter* c.p. – "Mafia vote-buying"
- Art. 630 c.p. – "Kidnapping with purpose of robbery or extortion"
- Art. 74 DPR no. 309/1990 – "Criminal association for the purposes of illegal trafficking of narcotics and psychotropic substances"
- Art. 407, paragraph 2, lett. a), no. 5), c.p.p. – "Crimes of illegal manufacture, import into Italy, offer for sale, sale, possession and carrying in a public place or place open to the public of weapons of war or military weapons or parts thereof, explosives, illegal weapons and more common firearms, except those envisaged in Article 2, third paragraph, of Law of 18 April 1975, no. 110"

E.1*bis*) OFFENCES REGARDING FORGERY OF MONEY, PUBLIC CREDIT INSTRUMENTS, REVENUE STAMPS AND INSTRUMENTS OR DISTINCTIVE SIGNS (art. 25-*bis* of the Decree) **CRIMES AGAINST INDUSTRY AND COMMERCE** (art. 25-*bis*.1 of the Decree)

- Art. 453 c.p. – "Forgery of money, and spending and import into Italy, through intermediaries, of forged money"
- Art 454 c.p. – "Forging money"
- Art. 455 c.p. – "Spending and import into Italy, without intermediaries, of forged money"
- Art. 457 c.p. – "Spending of forged money received in good faith"
- Art. 459 c.p. – "Forging of revenue stamps, and importing into Italy, purchasing, possessing or circulating of forged revenue stamps"
- Art. 460 c.p. – "Forgery of watermarked paper used to produce public credit instruments or revenue stamps"
- Art. 461 c.p. – "Manufacture or possession of watermarks or instruments intended for forging money, revenue stamps or watermarked paper"
- Art. 464 c.p. – "Use of counterfeit or forged revenue stamps"
- Art. 473 c.p. – "Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs"
- Art. 474 c.p. – "Import into Italy and sale of products with false signs"
- Art. 513 c.p. – "Disruption of freedom of trade and commerce"
- Art. 513-*bis* c.p. – "Illegal competition with threats or violence"
- Art. 514 c.p. – "Fraud against national industries"

- Art. 515 c.p. – "Fraudulent trading"
- Art. 516 c.p. – "Sale of non-genuine foodstuffs as genuine"
- Art. 517 c.p. – "Sale of industrial products with misleading signs"
- Art. 517-*ter* c.p. – "Manufacture and trade of goods made by misappropriating industrial property rights"
- Art. 517-*quater* c.p. – "Infringement of geographical indications or designations of origin for agrifood products"

E.1*ter*) CRIMES COMMITTED FOR THE PURPOSE OF TERRORISM OR SUBVERSION OF DEMOCRACY (art. 25-*quater* of the Decree)

E.1*quater*) RECEIVING, LAUNDERING AND USING MONEY, GOODS OR ASSETS OF UNLAWFUL ORIGIN (art. 25-*octies* of the Decree)

- Art. 648 – "Receiving money, goods or assets of unlawful origin"
- Art. 648-*bis* – "Money laundering"
- Art. 648-*ter* c.p. – "Use of money, assets or benefits of unlawful origin"
- Art. 648-*ter*.1 c.p. – "Self-money laundering"

E.1*quinquies*) TRANSNATIONAL CRIMES (art. 10, Law 16 March 2006, no. 146)

- Art. 416 c.p. – "Criminal association**"**
- Art. 416-*bis* c.p. – "Mafia-type association"
- Art. 74 D.P.R. no. 309/1990 – "Criminal association for the purposes of illegal trafficking of narcotics and psychotropic substances"
- Art. 291-*quater* D.P.R. no. 43/1973 – "Criminal association involving the contraband of tobacco processed abroad"
- Art. 377-*bis* c.p. – "Inducement to refrain from making statements or to make false statements to the legal authorities"
- Art. 378 c.p. – "Personal aiding and abetting"
- Art. 12, paragraphs 3, 3-*bis*, 3-*ter* and 5 of the Legislative Decree no. 286/1998 – "Migrant trafficking"

F.1) ENVIRONMENTAL CRIMES (art. 25-*undecies* of the Decree)

- Art. 452-*bis* c.p. –"Environmental pollution"

- Art. 452-*quater* c.p. – "Environmental disaster"
- Art. 452-*quinquies* c.p. – "Intentional crimes against the environment"
- Art. 452-*sexies* c.p. – "Trafficking and abandonment of highly radioactive material"
- Art. 452-*octies* c.p. – "Aggravating circumstances"
- Art. 452-*quaterdecies* c.p. – "Activities organized for illicit waste traffic"
- Art. 727-*bis* c.p. – "Killing, destruction, capture, taking, and possession of protected wild fauna and flora specimens"
- Art. 733-*bis* c.p. – "Habitats vandalism"
- Art. 137, paragraphs 2, 3, 5, D.Lgs. 152/06 – "Criminal punishment relating to industrial wastewater discharges, without authorization"
- Art. 137, paragraph 11, D.Lgs. 152/06 – "Criminal punishment for discharges on the ground, in the subsoil and in the groundwater"
- Art. 137, paragraph 13, D.Lgs. 152/06 – "Criminal punishment for discharges into sea waters of prohibited substances or materials by ships or aircraft"
- Art. 256, paragraphs 1 lett. a) and b), 3 first and second sentences, 4, 5, 6 first sentence, D.Lgs. 152/06 – "Unauthorized waste management activities"
- Art. 257, paragraphs 1 and 2, D.Lgs. 152/06 – "Site remediation"
- Art. 258, paragraph 4 second sentence, D.Lgs. 152/06 – "Breach of the disclosure obligations and requirements to maintain mandatory registers and forms"
- Art. 259, paragraph 1, D.Lgs. 152/06 – "Illicit traffic of waste"
- Art. 260-*bis*, paragraphs 6, 7 second and third sentences and 8 first and second sentences, D.Lgs. 152/06 – "Computer system for controlling waste traceability"
- Art. 279, paragraph 5, D.Lgs. 152/06 – "Crimes relating to emissions"
- Art. 1, paragraphs 1 and 2, Law February 7, 1992 n. 150 ("International trade of endangered animal and plant species")
- Art. 2, paragraphs 1 and 2, Law February 7, 1992 n. 150 ("International trade of endangered animal and plant species")

- Art. 3-*bis*, paragraph1, Law February 7, 1992 n. 150 ("International trade of endangered animal and plant species")
- Art. 6, paragraph 4, Law February 7, 1992 n. 150 ("International trade of endangered animal and plant species")
- Art. 3, paragraph 6, Law December 28, 1993 n. 549 ("Cessation and reduction of the use of ozone–depleting substances")
- Art. 8, paragraphs 1 and 2, D.Lgs. November 6, 2007 n. 202 ("Fraudulent pollution")
- Art. 9, paragraphs 1 and 2, D.Lgs. November 6, 2007 n. 202 ("Culpable pollution")

G.1) CRIMES AGAINST THE INDIVIDUAL (art. 25-*quinquies* of the Decree)

- Art. 600 c.p. – "Enslaving or holding in slavery or servitude"
- Art. 600 *bis*, c.p. – "Child prostitution"
- Art. 600 *ter*, paragraphs from 1 to 4, c.p. – "Child pornography"
- Art. 600 *quater* c.p. – "Possession of pornographic materials"
- Art. 600 *quater*.1 c.p. – "Virtual pornography"
- Art. 600 *quinquies* c.p. – "Tourist initiatives aimed at exploitation of child prostitution"
- Art. 601 c.p. – "Trafficking in persons"
- Art. 602 c.p. – "Purchase and sale of slaves"
- Art. 603 *bis* c.p. – "Illicit intermediation and exploitation of labour"
- Art. 609 *undecies* c.p.– "Grooming of minors"

G.1*bis*) EMPLOYMENT OF ILLEGALLY RESIDENT FOREIGN CITIZENS (art. 25-*duodecies* of the Decree)

- Art. 22, paragraph 12 *bis*, D.Lgs. 25.7.1998 n. 286 – "Fixed-time and full-time employment"
- Art. 12, paragraphs 3, 3 *bis*, 3 *ter*, 5. D.Lgs. 25.7.1998 n. 286 – "Transportation of foreigners in the territory of the State"

G.1*ter*) RACISM AND XENOPHOBIA (art. 25-*terdecies* of the Decree)

– Art. 604 *bis* c.p. – "Propaganda and inducement to commit crimes for reasons of racial ethnic and religious discrimination"

H.1) MARKET ABUSE (art. 25-*sexies* of the Decree)

– Art. 184 TUF – "Insider dealing"

– Art. 185 TUF – "Market manipulation"

The crime of female genital mutilation practices (art. 25-*quater*.1 of the Decree) and the crime of fraud in sports competitions, abusive gaming or betting practices and games of chance exercised by means of prohibited equipment (art. 25-*quaterdecies* of the Decree) also fall within the list of crimes provided for by Legislative Decree 231/2001.