



# Organisation, Management and Control Model of PetrolValves pursuant to Legislative Decree 231/2001

## **GENERAL PART**

Version approved by the Board of Directors on 13 July 2023

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### NOTE TO READERS

The Organisation, Management and Control Model of PetrolValves pursuant to Legislative Decree 231/2001 (“Model”) is a document that has been prepared in Italian.

This English language version of the Model has been prepared in order to assist those for whom Italian is not a language with which they are familiar and who are better able to review the Model in the English language.

Should there be any difference between the interpretation of the original Italian language version of the Model and this English language version, the Italian version shall prevail.

## 1 Legislative Decree 231/01

### 1.1 The regime of administrative liability of entities

Legislative Decree No. 231 of 8 June 2001 introduced in Italy the administrative liability of entities with legal personality and of companies and associations, including those without legal personality, for facts connected with the commission of offences.

This legislation provides for the direct liability of entities with the imposition of sanctions, resulting from the detection of certain offences committed in the interest or to the advantage of the Company by company representatives, managers and employees.

The criminal court that is competent for offences committed by natural persons also ascertains violations attributable to companies. This element, together with the fact that the same legislation expressly provides for the extension of all guarantees provided for the defendant to companies as well, means that one can essentially speak of criminal liability of companies.

The sanctions applicable to the company, in the event of the commission by a person belonging to the company of one of the offences for which the application of the rules in question is envisaged, are pecuniary and prohibitory, in addition to confiscation and publication of the sentence.

Financial penalties are always applied through a quota system, the amount of which is set by the judge in relation to certain parameters, including the seriousness of the act and the degree of liability of the company.

The prohibitory sanctions are:

- disqualification;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition of contracting with the public administration, except to obtain the performance of a public service;
- exclusion from facilitations, financing, contributions or subsidies and possible revocation of those already granted;
- ban on advertising goods or services.

These sanctions, at the request of the Public Prosecutor, where there are serious indications that the company is liable and there is a real danger that the offence will be repeated, can also be applied by the judge as a precautionary measure. Similarly applicable by the judge are the preventive seizure of assets susceptible to confiscation and the precautionary seizure in the event of the danger of the loss of guarantees for possible State claims (legal costs, financial penalty).

Currently, the offences for which companies are directly liable are<sup>1</sup> :

- offences against the Public Administration: misappropriation of public funds (Article 316 bis of the Criminal Code); undue receipt of public funds (Article 316 ter of the Criminal Code), extortion (Article 317 of the Criminal Code), bribery for the exercise of a function (art. 318 of the criminal code), bribery for an act contrary to official duties (Article 319 of the criminal code), bribery in judicial proceedings (Article 319 ter of the criminal code), undue induction to

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<sup>1</sup> The list given in this and the following pages is purely explanatory in nature and does not cover all the articles of the criminal code referred to in Legislative Decree 231/01. For an exhaustive discussion, please refer to the attached document "List of offences".

give or promise benefits (Article 319 quater of the criminal code), incitement to bribery (Article 322 of the Criminal Code), fraud to the detriment of the State or other public body or the European Union (Article 640, paragraph 2, no. 1 of the Criminal Code), aggravated fraud to obtain public funds (Article 640 bis of the Criminal Code), computer fraud to the detriment of the State or other public body (Article 640 ter of the Criminal Code), fraud in public supplies (Article 356 of the Criminal Code), fraud to the detriment of the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Article 2 L.23/12/1986, N.898.) (Articles 24 and 25 of Legislative Decree 231/01);

- **computer crimes and unlawful data processing**, as provided for in Article 7 of Law No. 48 of 18 March 2008: computer documents (Article 491-bis of the Criminal Code); unlawful access to a computer or telematic system (Article 615-ter of the Criminal Code); unlawful possession, dissemination and installation of equipment, codes and other means of accessing computer or telematic systems (Article 615-quater of the Criminal Code); unlawful possession, dissemination and installation of equipment, devices or computer programmes aimed at damaging or interrupting a computer or telematic system (Article 615-quinquies of the Criminal Code); unlawful interception, obstruction or interruption of computer or telematic communications (Article 617-quater of the Criminal Code); unlawful possession, dissemination and installation of equipment, devices or computer programmes aimed at damaging or interrupting a computer or telematic system (Article 615-quinquies of the Criminal Code); unlawful interception, obstruction or interruption of computer or telematic communications (Article 617-quater of the Criminal Code); unlawful possession, dissemination and installation of

equipment and other means of intercepting, impeding or interrupting computer or telematic communications (Article 617-quinquies of the Criminal Code); damaging computer information, data and programmes (Article 635-bis of the Criminal Code); damaging computer information, data and programmes used by the State or other public body or in any case of public utility (Article 635-ter of the Criminal Code); damaging computer or telematic systems (Article 635-quater of the Criminal Code); damaging computer or telematic systems of public utility (Article 635-quinquies of the Criminal Code); computer fraud of the person providing electronic signature certification services (Article 640-quinquies of the Criminal Code), violation of the Rules on the Perimeter of National Cyber Security (Article 1, paragraph 11, Decree-Law No. 105 of 21 September 2019) (Article 24-bis of Legislative Decree 231/2001);

- **organised crime offences under** Law 94 of 2009: Criminal conspiracy (art. 416 of the Italian Criminal Code); Mafia-type associations, including foreign ones (art. 416 bis of the Italian Criminal Code); Political-mafia electoral exchange (art. 416 ter of the Italian Criminal Code); - Kidnapping for the purpose of extortion (art. 630 of the Italian Criminal Code); Association for the purpose of illegal trafficking in narcotic or psychotropic substances (art. 74 Presidential Decree no. 309 of 9 October 1990); offences of illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or parts thereof, explosives, clandestine weapons as well as several common firing weapons, excluding those provided for in Article 2, paragraph 3, of L.18/04/1975 no. 110 (Article 407(2)(a)(5) of the Code of Criminal Procedure) (Article 24 ter of Legislative Decree 231/01);

- **the offences of extortion, undue induction to give or promise benefits and bribery** referred to in Law 190 of 2012: extortion (Art. 317 of the Criminal Code), bribery for the exercise of a function (Art. 318 of the Criminal Code), bribery for an act contrary to official duties (Art. 319 c.p.), bribery in judicial proceedings (Article 319 ter of the criminal code), undue inducement to give or promise benefits (Article 319 quater of the criminal code), bribery of a person in charge of a public service (Article 320 of the criminal code), incitement to bribery (art. 322 c.p.), embezzlement, extortion, undue inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign states (Article 322 bis of the criminal code), trafficking in unlawful influence (Article 346 bis of the criminal code), embezzlement (limited to the first paragraph) (Article 314 of the criminal code), misappropriation (limited to the first paragraph) (Article 314 of the criminal code), abuse of office (Article 316 of the criminal code) (Article 25 of Legislative Decree 231/01)
- **offences relating to counterfeiting money, public credit cards, revenue stamps and identification instruments or signs** (Articles 453 et seq. of the Criminal Code) as provided for by Decree Law 350/01, converted into Law 409/01. 409/01; Law 99 of 2009 extended the applicability of Decree 231 also to the counterfeiting, alteration or use of trademarks or distinctive signs or of patents, models and designs (Article 473 of the Criminal Code) and to the introduction into the State and trade of products with false signs (Article 474 of the Criminal Code) (Article 25 bis of Legislative Decree 231/01);



- **offences against industry and trade** provided for by Law 99 of 2009: disturbing freedom of industry and trade (Article 513 of the Criminal Code); unlawful competition with threats or violence (Article 513-bis of the Criminal Code); fraud against national industries (Article 514 of the Criminal Code); fraud in the exercise of trade (Article 515 of the Criminal Code); sale of foodstuffs that are not genuine as genuine (Article 516 of the Criminal Code); sale of industrial products with misleading signs (Article 517 of the Criminal Code); manufacture of and trade in goods made by usurping industrial property rights (Article 517-ter of the Criminal Code); counterfeiting of goods made by usurping industrial property rights (Article 517-ter of the Criminal Code); sale of goods made by usurping industrial property rights (Article 517-ter of the Criminal Code); sale of industrial products with mendacious signs (Article 517 of the criminal code); manufacture of and trade in goods made by usurping industrial property rights (Article 517 ter of the criminal code); counterfeiting of geographical indications or designations of origin of agri-food products (Article 517 quater of the criminal code); unlawful competition with threats and violence (Article 513 bis of the criminal code); fraud against national industries (Article 514 of the criminal code) (Article 25 bis 1 of Legislative Decree 231/01);
- corporate offences provided for by the Civil Code, following Legislative Decree 61/02: false corporate communications (Article 2621 of the Civil Code); minor offences (Article 2621 bis of the Civil Code) false corporate communications of listed companies (Article 2622 of the Civil Code); Obstruction of control (Article 2625 of the Civil Code); undue return of contributions (Article 2626 of the Civil Code); illegal distribution of profits and reserves (Article 2627 of the Civil Code); unlawful transactions on shares or quotas of the company or of the parent company (Article 2628 of the Civil Code); transactions to the detriment

- of creditors (Article 2629 of the Civil Code); failure to disclose a conflict of interest (Article 2629bis of the Italian Civil Code); fictitious capital formation (Article 2632 of the Italian Civil Code); undue distribution of corporate assets by liquidators (Article 2633 of the Italian Civil Code); bribery among private individuals (Article 2635 of the Italian Civil Code); unlawful influence on the shareholders' meeting (Article 2636 of the Civil Code); market rigging (Article 2637 of the Civil Code); obstruction of the exercise of the functions of the supervisory authority (Article 2638 of the Civil Code); false or omitted declarations for the issue of the preliminary certificate (Article 54 of Legislative Decree No. 19 of 2023); (Article 25-ter of Legislative Decree 231/01);
- offences for the purposes of terrorism or subversion of the democratic order provided for by the Criminal Code or special laws, pursuant to Law 7/03 on the "Ratification and implementation of the International Convention for the Suppression of the Financing of Terrorism, done in New York on 19 December 1999, and rules for the adaptation of the internal legal system": subversive associations (Article 270 et seq. of the Criminal Code); attacks for the purposes of terrorism or subversion (Article 280 et seq. of the Criminal Code); kidnapping for the purposes of coercion (art. 289-ter c. Criminal Code); incitement to commit any of the offences provided for in Chapters 1 and 2 (Article 302 of the Criminal Code); political conspiracy by agreement (Article 304 of the Criminal Code); political conspiracy by association (Article 305 of the Criminal Code); armed gangs: formation and participation (Article 306 of the criminal code); assistance to participants in conspiracy or armed gangs (Article 307 of the criminal code); seizure, hijacking or destruction of an aircraft (Law No. 342/1976, Article 1); damage to ground facilities (Law No. 342/1976, Article 2) (Article 25-quater of Legislative Decree 231/01);

- **offences relating to the practice of female genital mutilation** (Article 583 bis of the criminal code), as provided for by Law 7/06 (Article 25 quater 1 of Legislative Decree 231/01);
- **offences against the individual under the Criminal Code:** Reduction to or maintenance in slavery or servitude (Article 600 of the Criminal Code) , Child prostitution (Article 600-bis of the Criminal Code) , Child pornography (Article 600-ter of the Criminal Code) Possession of pornographic material (Article 600-quater of the Criminal Code) , Virtual pornography (Article 600-quater 1 of the Criminal Code)) , Tourism initiatives aimed at the exploitation of child prostitution (Article 600-quinquies of the Criminal Code) , Trafficking in persons (Article 301 of the Criminal Code) Purchase and sale of slaves (Article 602 of the Criminal Code) , Illegal brokering and exploitation of labour (Article 603-bis of the Criminal Code), Solicitation of minors (Article 609-undecies of the Criminal Code) (Article 25-quinquies of Legislative Decree 231/01)
- **market abuse offences** pursuant to Articles 184 and 185 of Legislative Decree 58/98: insider trading (Article 184 of the Consolidated Law on Finance); market manipulation (Article 185 of the Consolidated Law on Finance) (Article 25-sexies of Legislative Decree 231/01);
- **the offences of culpable homicide and grievous or very grievous bodily harm** (Article 589 and Article 590, third paragraph, of the Criminal Code) committed in violation of accident-prevention regulations and the protection of hygiene and health in the workplace, as provided for by Law 123/07 and Legislative Decree 81/2008: culpable homicide (Article 589 of the Criminal Code); culpable bodily harm (Article 590 of the Criminal Code) (Article 25septies of Legislative Decree 231/01);

- **the offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin as well as selflaundering** (Articles 648, 648-bis, 648-ter and 648-ter 1. of the Criminal Code), as established by Legislative Decree 231/2007 (Article 25-octies of Legislative Decree 231/01);
- **offences relating to non-cash payment instruments** provided for by Legislative Decree No. 184 of 8 November 2021: undue use and falsification of non-cash payment instruments (Article 493-ter of the Criminal Code); possession and dissemination of computer equipment, devices or programmes aimed at committing offences relating to non-cash payment instruments (Article 493-quater of the Criminal Code); computer fraud (Article 640-ter of the Criminal Code) (Article 25-octies.1 of Legislative Decree 231/01);
- **offences relating to the violation of copyright** under Law No. 633 of 22/04/1941, to which the application of Legislative Decree 231/01 was extended by Law No. 99 of 2009 (Article 25-novies of Legislative Decree 231/01);
- **the offence of inducement not to make statements or to make false statements to the judicial authorities** (Article 377 bis of the Criminal Code), as provided for in Article 4 of Law 116 of 2009 (Article 25-decies of Legislative Decree 231/01);
- **environmental offences**, introduced by Legislative Decree 121 of 7 July 2011 and Law 68/2015: environmental pollution (Art. 452-bis); environmental disaster (Art. 452-quater); culpable offences against the environment (Art. 452-quinquies ); trafficking in and abandonment of highly radioactive material (Art. 452-sexies); aggravating circumstances (Art. 452-octies); killing, destruction, capture, taking, detention of specimens of protected wild animal or plant species (Art. 727-bis of the Criminal Code); import, export, detention

of specimens of protected wild animal or plant species (Art. 727-bis of the Criminal Code); and environmental pollution (Art. 452-quinquies); import, export, possession, use for profit, purchase, sale, display or possession for sale or commercial purposes of protected species (L. no. 150/1992, art. 1, art. 2, art. 3-bis and art. 6); discharges of industrial waste water containing hazardous substances; discharges into the soil, subsoil and groundwater; discharges into the sea by ships or aircraft (Legislative Decree No. 152/2006, Art. 137); unauthorised waste management activities (Legislative Decree No. 152/2006, art. 256); pollution of the soil, subsoil, surface water and groundwater (Legislative Decree no. 152/2006, art. 257); illegal waste trafficking (Legislative Decree no.152/2006, Art. 259); violation of the obligations of communication, keeping of compulsory registers and forms (Art. 258, paragraph 4, Legislative Decree no. 152/2006); activities organised for the illegal trafficking of waste (Art. 452-quaterdecies c.p.); false information on the nature, composition and chemical and physical characteristics of waste in the preparation of a waste analysis certificate; inclusion in SISTRI of a false waste analysis certificate; wilful and culpable pollution caused by ships (Art. 25-undecies Legislative Decree no. 202/2007, Art. 8 and 9) (Art. 25-undecies Legislative Decree 231/01);

- **the offence of using third-country nationals whose stay is irregular** (Article 22(12-bis) of Legislative Decree No. 286 of 25 July 1998) introduced by Legislative Decree No. 109 of 16 July 2012 (Article 25-duodecies of Legislative Decree 231/01);
- **the offence of racism and xenophobia** (Article 604. Bis of the Criminal Code) (Article 25 thirteenth of Legislative Decree 231/01);

- **the offence of fraud in sporting competitions, abusive exercise of gaming or betting activities and gambling exercised by means of prohibited devices:** fraud in sporting competitions (Article 1, Law No. 401/1989); abusive exercise of gaming or betting activities (Article 4, Law No. 401/1989) (Article 25-quaterdecies of Legislative Decree 231/01);
- **tax offences:** fraudulent declaration using invoices or other documents for non-existent transactions (Article 2 Legislative Decree 74/2000); fraudulent declaration using other devices (Article 3 Legislative Decree 74/2000); issue of invoices or other documents for non-existent transactions (Article 8 Legislative Decree 74/2000); concealment or destruction of accounting documents (Article 10 Legislative Decree 74/2000); fraudulent evasion of taxes (Article 11 Legislative Decree 74/2000); fraudulent evasion of tax payments (Article 11 Legislative Decree 74/2000). 74/2000); concealment or destruction of accounting documents (Article 10 of Legislative Decree 74/2000); fraudulent evasion of taxes (Article 11 of Legislative Decree 74/2000); false declaration (Article 4 of Legislative Decree 74/2000); omitted declaration (Article 5 of Legislative Decree 74/2000); undue compensation (Article 10-quater of Legislative Decree 74/2000) (Article 25-quinquiesdecies of Legislative Decree 231/01);

It should be noted that the following offences:

- fraudulent declaration in cases of serious cross-border VAT fraud (Article 4 of Legislative Decree 74/2000);
- omitted declaration in cases of serious cross-border VAT fraud (Article 5 of Legislative Decree 74/2000);
- indebted compensation in cases of serious cross-border VAT fraud (Article 10c of Legislative Decree 74/2000)

are only applicable when they are committed for the purpose of evading value added tax within the framework of cross-border fraudulent schemes connected to the territory of at least one other Member State of the European Union, from which a total loss of EUR 10 million or more results or is likely to result.

- **the offence of smuggling:** smuggling in the movement of goods across land borders and customs areas (art. 282 Presidential Decree no. 73/1943); smuggling in the movement of goods across land borders and customs areas (art. 284 Presidential Decree no. 73/1943); smuggling in the movement of goods by air (art. 285 Presidential Decree no. 73/1943); smuggling in non-customs areas (art. 286 Presidential Decree no. 73/1943); smuggling for the undue use of goods imported with customs facilities (art. 287 Presidential Decree no. 73/1943); smuggling in customs warehouses (art. 288 Presidential Decree no. 73/1943); smuggling in cabotage and circulation (Article 289 of Presidential Decree no. 73/1943); smuggling in the export of goods eligible for duty drawback (Article 290 of Presidential Decree no. 73/1943); smuggling in temporary importation or exportation (Article 291 of Presidential Decree no. 73/1943); smuggling of foreign manufactured tobacco (Article 291-bis of Presidential Decree no. 73/1943); aggravating circumstances of the crime of smuggling of foreign processed tobacco (Article 291-ter of Presidential Decree no. 73/1943); criminal association for the purpose of smuggling foreign processed tobacco (Article 291-quater of Presidential Decree no. 73/1943); other cases of smuggling (Article 292 of Presidential Decree no. 73/1943) (Article 25-sexdecies of Legislative Decree 231/01)
- **the offences against cultural heritage** provided for by Law no. 22 of 9 March 2022: theft of cultural goods (art. 518-bis of the Criminal Code); embezzlement



of cultural goods (art. 518-ter of the Criminal Code); receiving stolen cultural goods (art. 518-quater of the Criminal Code); forgery in private writing relating to cultural goods (art. 518-octies of the Criminal Code); violations of the sale of cultural goods (art. 518-novies of the Criminal Code); unlawful import of cultural goods (Article 518-decies of the Criminal Code); unlawful removal or export of cultural goods (Article 518-undecies of the Criminal Code); destruction, dispersal, deterioration, destruction, dispersal, deterioration of cultural goods (Article 518-novies of the Criminal Code.); destruction, dispersion, deterioration, defacement, embellishment and unlawful use of cultural or landscape assets (Article 518-duodecies of the Criminal Code); counterfeiting of works of art (Article 518-quaterdecies of the Criminal Code) (Article 25-septiesdecies of Legislative Decree No. 231/2001);

- **laundering of cultural assets and devastation and looting of cultural and landscape assets** provided for by Legislative Decree No. 195 of 30 November 2021: laundering of cultural assets (Article 518-sexies of the criminal code); devastation and looting of cultural and landscape assets (Article 518-terdecies of the criminal code) (Article 25-duodicies of Legislative Decree 231/2001);
- **transnational offences** provided for by the Criminal Code and special laws, as identified by Law 146/06 on the 'Ratification and implementation of the United Nations Convention and Protocols against transnational organised crime, adopted by the General Assembly on 15/11/2000 and 31/05/2001'.

Legislative Decree 231/01 applies to offences committed by:

- persons in top management positions, i.e. directors, general managers, heads of secondary offices, heads of divisions with financial and functional



autonomy, as well as those who even only de facto exercise management and control of the company;

- persons subject to the direction or supervision of the aforementioned persons, meaning also those who work in a position, even if not formally classifiable as an employee relationship, nevertheless subordinate, as stated, to the supervision of the company for which they act.

An essential condition for the company to be held liable for the offence is that the act was committed in the interest or to the advantage of the company.

The company is therefore liable whether the offender committed the offence with the intention of pursuing an exclusive or competing interest of the company, or whether it is in any case advantageous to the company. In the latter case, however, the company's liability is excluded if it transpires that the offender acted with the intention of pursuing an interest exclusively his own or in any case different from that of the company.

## **1.2 The adoption of the Organisation, Management and Control Model as an exemption from administrative liability**

Legislative Decree 231/01, in the event of an offence committed by an apical person, excludes the company's liability if the company proves that:

- the management body<sup>2</sup> adopted and effectively implemented, prior to the commission of the offence, an Organisation and Management Model capable of preventing offences of the kind committed;

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<sup>2</sup> Management body" means the management body as defined pursuant to Article 6 letter a) of Legislative Decree 231/01, i.e. the Board of Directors

- the task of supervising the operation of and compliance with the Model and ensuring that it is updated has been entrusted to a body within the company, endowed with autonomous powers of initiative and control;
- the persons committed the offence by fraudulently circumventing the Organisation and Management Model;
- there was no or insufficient supervision by the supervisory body.

In the event of an offence committed by a person subject to the management or supervision of others, the company is liable if the commission of the offence was made possible by the failure to comply with management or supervision obligations. In any case, non-compliance with management or supervisory obligations is excluded if the company, prior to the commission of the offence, has adopted and effectively implemented an Organisation, Management and Control Model capable of preventing offences of the kind committed.

The organisational model will have to meet several requirements:

- identify the 'areas at risk', i.e. the activities within the scope of which offences may be committed;
- provide for specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the offences to be prevented;
- identify ways of managing financial resources that are suitable for preventing the commission of offences;
- provide for information obligations vis-à-vis the body in charge of supervising the functioning of and compliance with the Model;
- introduce an appropriate disciplinary system to sanction non-compliance with the measures indicated in the Model.

In relation to the nature and size of the organisation, as well as the type of activity carried out, the Model must provide for appropriate measures to ensure that the activity is carried out in compliance with the law and to detect and eliminate risk situations in good time.

The effective implementation of the Model requires periodic verification and possible amendment thereof when significant violations of the provisions are discovered, or when changes occur in the organisation or activity of the company. Therefore, the system briefly outlined cannot, in order to operate effectively, be reduced to a *one-off* activity, but must be translated into a continuous process (or in any case carried out with adequate periodicity).

Furthermore, pursuant to Article 6 paragraph 2 bis of Legislative Decree 231/2001 as amended pursuant to Legislative Decree No. 24 of 2023 implementing Directive 2019/1937 of the European Parliament of the Council, the Model provides for internal reporting channels, the prohibition of retaliation and the disciplinary system.

### **1.3 The guidelines drawn up by the trade associations**

The same Legislative Decree 231/01, in Article 6(3), provided that the models may be adopted on the basis of codes of conduct drawn up by the associations representing the entities and communicated to the Ministry of Justice.

On the basis of this provision, all major trade associations have approved and published their own codes of conduct.

With regard to the guidelines of trade associations, the Ministerial Decree of 26 June 2003 no. 201 ("Regulation containing regulatory provisions relating to the procedure for ascertaining the administrative offence of legal persons, companies and associations, including those without legal personality") reiterates that the associations representing the entities shall communicate to the Ministry of Justice the codes of conduct containing specific and concrete sectoral indications for the adoption and implementation of the organisation and management models envisaged and expressly provides that, thirty days after the date of receipt by the Ministry of Justice of the code of conduct without any observations having been made, the code of conduct shall take effect.

In particular, it seems appropriate to recall that Confindustria in June 2021 published the latest updated version of its 'Guidelines for the construction of organisation, management and control models pursuant to Legislative Decree No. 231 of 8 June 2001'. The Ministry deemed this version prepared by Confindustria to be adequate.

## **2 Adoption of the Model at PetrolValves S.p.A.**

### **2.1 Objectives pursued by the company with the adoption of the Model**

In order to ensure fairness in the conduct of corporate activities and with a view to spreading and promoting integrity and transparency, the Company has deemed it appropriate to implement the indications of Legislative Decree 231/01 and to adopt an Organisation, Management and Control Model suitable for preventing the risk of commission of offences covered by the Decree itself.

The decision to adopt the Organisation, Management and Control Model was implemented with a view to protecting its image, the interests and expectations of its employees, shareholders, clients and the public, and to sensitise all collaborators and all those who work in the name and on behalf of the Company to the adoption of correct conduct in order to avoid the commission of offences.

PetrolValves has prepared its Organisation, Management and Control Model taking into account all the relevant legal provisions on the subject and, in particular, the Confindustria guidelines.

The Model was approved and adopted by the Board of Directors, in accordance with Article 6.1 lett. a of Legislative Decree 231/01, which provides for the Model as an expression of the company's management body.

In addition to providing for the adoption of the Organisation, Management and Control Model, in accordance with Article 6(1)(b) of Legislative Decree 231/01, the Board of Directors set up the Supervisory Board, whose task is to ensure the effectiveness of the Model itself, as well as to verify its observance and ensure that it is updated.

## **2.2 Purpose and principles of the Model**

The Organisation, Management and Control Model responds to the need to perfect its system of internal controls and to avoid the risk of offences being committed.

This objective is achieved through the identification of 'sensitive' activities, the preparation of an organic and structured system of procedures and the adoption of an adequate risk control system.

The basic principles of the Model must:

- make the potential offender aware that he or she is committing an offence contrary to the principles and interests of the company, even when the offence itself would apparently procure an advantage to the Company;
- make it possible to monitor sensitive activities and intervene to prevent the commission of the offence and, if necessary, reinforce the internal control system by modifying procedures, authorisation levels or support systems.

For the purpose of preparing this Organisation, Management and Control Model:

- areas at risk of commission of offences pursuant to Legislative Decree 231/01 were identified, through the analysis of the activities performed, existing procedures, practices, and authorisation levels. For an examination of the methods followed in the complex and articulated Risk Assessment activity, see Chapter 7 'Outcome of the Risk Assessment activity';
- adequate internal control systems have been defined for risk areas, in order to prevent the commission of offences, and appropriate organisational procedures have been drawn up;
- the financial resource management process was analysed;
- a Supervisory Board has been identified and assigned the task of overseeing the correct application of the Model by monitoring activities and defining information flows from the sensitive areas;
- tasks and powers have been assigned to this body and to the top management to ensure effective supervision of the application and adequacy of the

Organisation, Management and Control Model, also for the purposes of configuring the exemption;

- a disciplinary system to be applied in the event of violation of the Organisation, Management and Control Model has been provided for, in accordance with the existing legislation on the subject;
- Awareness-raising and training on the procedures and adherence to the behavioural rules laid down in the Model was initiated at all company levels;
- awareness-raising and training on the procedures and adherence to the behavioural rules provided for by the Model was initiated with regard to external parties (e.g. agents, collaborators, suppliers of goods or services), through the sending of specific information notes on the application of the Organisation, Management and Control Model and compliance with the Ethics Code, or through the insertion of specific clauses that make explicit reference to compliance with the provisions of the Organisation, Management and Control Model and the Ethics Code, which, in the event of violation, provide for a warning to comply with the aforementioned provisions, or the application of penalties or, again, the termination of the contractual relationship.

The purpose of the Model is to set up a formalised and clear organisational system with regard to the allocation of responsibilities, hierarchical reporting lines and description of tasks, with specific provision for control principles.

### **2.3 The centrality of the PetrolValves Ethics Code**

The Ethics Code of PetrolValves S.p.A., which is an integral part of the Organisational Model, indicates the general principles and behavioural rules to which the Company recognises positive ethical value and with which all Addressees must comply. These

are all directors, auditors, employees, including managers, as well as all those who, although external to the Company, work, directly or indirectly, for it.

These values are based on the principles of respect for the law, fairness, impartiality, honesty, integrity and transparency.

In any case, in the event of a conflict between the provisions of the Ethics Code and the Organisational Model, the provisions of the Company's Organisational Model shall prevail.

### **3 The organisational system of PetrolValves S.p. A.**

#### **3.1 Summary description of the activities of PetrolValves S.p.A.**

PetrolValves S.p.A. is a leading manufacturer specialising in valves for the gas, oil and energy sector.

PetrolValves is distinguished by its ability to continuously produce the most sophisticated valves from an engineering perspective for the multiple categories of the oil, gas and energy sectors.

PetrolValves' production line covers the following sectors: refining, petrochemicals, power plants, marine platforms, subsea installations, oil and gas transportation, and drilling.

#### **3.2 The governance system**



PetrolValves, a public limited company, has adopted the following system of governance:

### **Board of Directors**

The board of directors is vested with the broadest powers for the ordinary and extraordinary management of the Company and has the authority to perform all acts it deems appropriate for the achievement of the corporate purpose, excluding only those that the law or the articles of association reserve strictly to the competence of the shareholders.

The Board of Directors may delegate all or part of its powers to an executive committee composed of any of its members, or to one or more of its members, even severally (Art. 2381 of the Civil Code).

The Board of Directors of PetrolValves may consist of between 2 and 9 members.

### **Board of Statutory Auditors**

The Board of Statutory Auditors consists of three full members and two alternate members and ensures the fulfilment of all duties imposed by law and the articles of association.

### **Auditing firm**

In accordance with the provisions of the Civil Code, PetrolValves has appointed an auditing firm to audit the accounts.

In addition, the Company's control activities will be carried out by the:

- Compliance Manager. This function will be autonomous with respect to the other operational structures and with respect to the internal control

structures; this function can be attributed to a second-level control which is entrusted with the task of monitoring ex ante compliance with the reference regulations through the performance of a series of activities, including the development of a compliance programme, assisting management in the modernisation of processes, standardisation of internal objectives, monitoring the changes and innovations necessary and assimilating the new rules and policies;

- Internal Auditor. This function is attributable to a third-level control and will contribute to the identification, measurement, management and monitoring of the Company's corporate risks, assessing the adequacy of the organisational set-up, the correctness of behaviour and the functionality of the overall system, as well as subjecting the Compliance function to periodic and independent examination.

### **3.3 The fields of activity and the organisational structure**

Organisationally, the Company has its registered office in Milan and production plants in Castellanza (VA) and Piacenza.

Besides Italy, the Company is present in the United States, Norway, the United Kingdom, Saudi Arabia, China, Malaysia, the United Arab Emirates and Kazakhstan.

For a detailed description of the organisational structure, please refer to the organisation charts prepared by the Company, which identify the hierarchical dependence of the professional figures involved.

Organisation charts and the system of delegation of functions and powers of attorney are to be considered an integral part of the organisational model.

### **3.4 The certifications of PetrolValves S.p. A.**

PetrolValves has adopted an integrated compliance system in its corporate risk management.

In this perspective, the risk assessment pursuant to Legislative Decree No. 231/2001 - where necessary - is connected with specific assessments conducted in the context of further control activities, recalling, summarising or integrating their contents.

In particular, this system is geared towards developing a control system to prevent predicate offences; in this respect, compliance activities are carried out in full cooperation with the entire internal control system (control levels I, II and III).

To this end, PetrolValves has chosen to establish, document, implement and maintain an Integrated Quality, Safety and Environmental Management System in accordance with the requirements of the regulations listed below:

- UNI EN ISO 45001: ed. 2018;
- UNI EN ISO 9001 : ed. 2015;
- UNI EN ISO 14001: ed. 2015;
- API Q 1 ninth edition, June 2013.

and to constantly improve its effectiveness to ensure compliance with legal and regulatory requirements, guarantee full customer satisfaction, respect for the health and safety of its employees, visitors and contractors and respect for the citizens living in the company's vicinity, with particular attention to compliance with current environmental and safety regulations and continuous improvement of the company's performance, progressively minimising the impact of its activities on the environment.

The company also holds the following product certifications: API 6A License, API 6D License, API 6DSS License, API 600 License, IEC61508 & IEC61511 'Functional Safety', EU68/2014 'European Pressure Equipment Directive' (PED).

### 3.5 The Financial Resources Management System

Article 6(2)(c) of Legislative Decree No. 231/2001 provides that the Models must provide for methods of managing financial resources that are suitable for preventing the commission of offences. The reason for this provision is to be found in the fact that numerous offences relevant to the regulation in question can be committed through the company's financial resources.

The financial resource management process was analysed in order to ascertain that it is based on specific **control principles** such as:

- separation of roles at key stages of the process;
- the traceability of acts and authorisation levels to be associated with individual operations;
- monitoring the correct execution of the different stages of the process:
  1. specifically formalised request for a payment order;
  2. authorisation of the competent function;
  3. control of correspondence between goods received and goods ordered;
  4. verification of payment;
  5. control of the invoice;
  6. inclusion in accounts;
- documentation of the checks carried out.

## **4 Structure of the Organisation, Management and Control Model: General Part and Special Parts.**

The Organisation, Management and Control Model consists of a General Part and several Special Parts.

The General Part, consisting of this document, describes the contents and impacts of Legislative Decree 231/01, the basic principles and objectives of the Model, the tasks of the Supervisory Board, the procedures for the adoption, dissemination, updating and application of the contents of the Model, and the provision of the disciplinary system.

The Special Parts, dedicated to the types of offences to which Legislative Decree 231/01 applies, describe in detail:

- the offences provided for in the reference article of Legislative Decree 231/01;
- the sanctions provided for in that Article;
- the areas at risk of offences in relation to the aforementioned criminal offences;
- general rules of conduct in crime-risk areas;
- the particular rules of conduct in individual offence-risk areas;
- a description of the sensitive activities, indicating the corporate functions involved, the ways in which offences may be committed and the preventive controls.

The Special Parts, as mentioned, are divided according to the offence hypotheses for which the regulations on the administrative liability of entities apply, and were prepared on the basis of the outcome of the risk mapping activity, which identified the potentially relevant offence hypotheses in relation to PetrolValves' activities.

They are:

1. Special Part Offences related to corruption and other offences against the Public Administration;
2. Special Part Computer crimes and unlawful data processing;
3. Special Part Organised crime and transnational crimes;
4. Special Part Forgery of money, public credit cards, revenue stamps
5. Special Part Crimes against industry and trade and of forgery of instruments or identifying marks;
6. Special Part Corporate Crimes;
7. Special Part Crimes for the purpose of terrorism or subversion of the democratic order (*art. 25-quater*);
8. Special Part Manslaughter and grievous or very grievous bodily harm committed in violation of the rules on accident prevention and protection of hygiene and health at work (*Article 25-septies*)
9. Special Part Receiving, laundering and using money, goods or benefits of unlawful origin as well as selflaundering (*Article 25-octies*)
10. Special Part Copyright infringement offences (*Article 25-novies*);
11. Special Part Crime of inducement to make false statements or not to make statements to the judicial authorities (*Article 25-decies*)
12. Special Part Environmental Crimes (*Art. 25-undecies*);
13. Special Part Employment of third-country nationals whose stay is irregular (*Art. 25-duodecies*)

14. Special Part Tax Crimes (Art. 25-*quinquiesdecies*);
15. Special Part Smuggling (Art. 25-*sexiesdecies*);
16. Special Part Crimes against the cultural heritage and landscape (Art. 25-*septiesdecies* and Art. 25-*duodicies*)

The control measures and standards of conduct indicated in the various Special Parts show that the activities of PetrolValves S.p.A. are carried out taking into consideration:

- absolute compliance with the relevant legislation in force;
- adherence to the PetrolValves Ethics Code;
- the segregation of responsibilities and functions within the same process;
- the sharing of decisions;
- traceability of relevant steps;
- archiving of documentation.

The Organisation, Management and Control Model is integrated with the contents of the Ethics Code adopted by the Company.

PetrolValves promotes the adoption and effective implementation by all subsidiaries of appropriate systems to prevent the risk of corporate liability arising from offences. In this regard, all Italian and foreign subsidiaries adopt the PetrolValves Ethics Code.

## **5 Amendments and additions to the Organisation, Management and Control Model**

Since the Model is an act of the top management, subsequent amendments and additions are referred to the company's Board of Directors:

1. the modification of the tasks of the Supervisory Board;
2. the identification of a different Supervisory Body;
3. adaptation of the document following reorganisation of the corporate structure;
4. the insertion or deletion of Special Parts;
5. the inclusion of new risk areas;
6. the change of names of corporate functions;
7. the modification or updating of company procedures and/or other components of the Model.

Amendments No. 4 to No. 7, which are non-substantial amendments as they do not affect the structure of the Model, may also be referred to the Managing Director or the Chairman of the Board of Directors.

The individual functions on the basis of the recommendations provided by the Supervisory Board are responsible for preparing and updating organisational procedures. Within each function, the responsible person is identified.

## **6 Supervisory Board**



## **6.1 Identification of the Supervisory Board: appointment, term of office, replacement, disqualification and revocation**

The Supervisory Board is appointed by the Board of Directors, which determines its term of office.

PetrolValves, after verifying the possible existence, within the company's organisational design, of a suitable structure to play the role of Supervisory Board, identified it as a collegial body.

The members of the Supervisory Board have expertise in inspection and advisory activities, or have knowledge of specific techniques, suitable to guarantee the effectiveness of the control powers and the power to make proposals entrusted to it.

The composition of the Supervisory Board meets the requirements of Legislative Decree 231/01 and the indications provided in this regard by trade associations.

In fact, Article 6(1)(b) of Legislative Decree 231/01 provides that the task of supervising the operation of and compliance with the Organisation, Management and Control Model and of promoting its updating is entrusted to a company body, endowed with autonomous powers of initiative and control.

The Supervisory Board of the Company must be characterised by:

- independence of judgement and interests;
- hierarchical autonomy from the subjects under investigation;
- professionalism;
- autonomy and spending powers;

- continuity of action, since it is a structure set up ad hoc and dedicated to the activity of monitoring the Model, as well as lacking operational tasks that could lead it to take decisions with economic and financial effects.

The Supervisory Board may, in the event of the need for specific technical expertise, make use of the advice of external professionals.

For the purposes of establishing, appointing the members and assessing the functionality of the Supervisory Board, the Board of Directors of PetrolValves assesses the existence of the following elements:

- autonomy and independence of the Supervisory Board understood as:
  - have autonomous powers of initiative and control;
  - not performing operational tasks;
- professionalism of the Supervisory Board understood as:
  - have adequate specialised skills (e.g. inspection and consulting skills, etc.);
  - be equipped with specialised tools and techniques in order to be able to carry out the activity, also making use of internal and/or external specialised collaborations;
- honourability. All members of the Supervisory Board are required in advance not to be in any of the following conditions of ineligibility and/or incompatibility:
  - being temporarily banned or suspended from the executive offices of legal persons and companies;
  - find themselves in one of the conditions of ineligibility or disqualification provided for in Article 2382 of the Civil Code;

- being in a condition whereby a criminal prosecution has been brought against him or a measure restricting his personal liberty has been adopted for the commission of offences, whether pending at the date of appointment or during the term of office;
- having received a criminal conviction or plea bargaining sentence, even if not final;
- having received, in Italy or abroad, a conviction or plea bargaining sentence, even if not final, for violations relevant to the administrative liability of entities pursuant to Legislative Decree no. 231 of 2001.

With reference to the causes of ineligibility and incompatibility, it should be noted that, in order to ensure the constraints of autonomy and independence, the members of the Supervisory Board must not be related to the company's top management, nor must they be linked to it by economic interests or any situation that could generate a conflict of interest, with the exception of an employment relationship, provided that the member does not perform an operational role within the Company.

In the event of the resignation, supervening incapacity, death, revocation or disqualification of a full member of the Body, the Chairman shall promptly notify the Board of Directors so that it may decide to appoint a replacement.

Renunciation by members of the Body may be exercised at any time and must be communicated to the Chairman of the Supervisory Board in writing. If the resignation concerns the Chairman of the Supervisory Board, he shall promptly inform the most senior member by age of the Supervisory Board.

The Supervisory Board is deemed to have lapsed if the majority of its members cease to be present, due to resignation or other causes.

Each member of the Supervisory Board - by accepting the appointment - is bound by a commitment of confidentiality.

Members of the Body may only be dismissed for just cause, by resolution of the Board of Directors.

Just cause for revocation shall mean:

- disqualification or incapacitation, or a serious infirmity that renders the member of the Supervisory Board unfit to perform his supervisory duties, or an infirmity that, in any event, results in his absence from the workplace for a period exceeding six months;
- the attribution to the Supervisory Board of operational functions and responsibilities, or the occurrence of events, incompatible with the requirements of autonomy of initiative and control, independence and continuity of action, which are specific to the Supervisory Board;
- a serious breach of the duties of the Supervisory Board.

Each member of the Supervisory Board forfeits his office if he has reported:

- a judgment, even if not final, convicting the company pursuant to the Decree, or criminal proceedings concluded through the application of the penalty at the request of the parties, so-called "plea bargaining", where the documents show "omitted or insufficient supervision" by the Supervisory Board, pursuant to Article 6(1)(d) of the Decree;
- a conviction, even if not final, of the member of the Supervisory Board for having personally committed an offence;

- a judgment, even if not final, convicting the member of the Supervisory Board to a penalty entailing disqualification, even temporary, from public office, or temporary disqualification from the executive offices of legal persons and companies.

Each member of the Supervisory Board may withdraw from the post at any time by giving at least three months' notice.

In the event of termination due to renunciation, the outgoing member of the Supervisory Board shall, in any case, be required to perform all the functions laid down by law or by the Model until the person appointed by the Board of Directors to replace him/her takes office. Without prejudice to the foregoing, the members of the Supervisory Board appointed as replacements shall remain in office for the period for which the persons they replace would have been in office.

## **6.2 Duties and powers of the Supervisory Board**

The functions of the PetrolValves Supervisory Board are as follows:

- analysing the actual adequacy of the Organisation, Management and Control Model to prevent the offences of interest of Legislative Decree 231/01;
- monitor the effectiveness of the Organisation, Management and Control Model, verifying its consistency with actual behaviour and detecting any violations;
- verify the permanence over time of the requirements of effectiveness and adequacy of the Organisation, Management and Control Model;
- promote the updating of the Organisation, Management and Control Model, when the analyses carried out show the need for corrections or updates

following regulatory changes, changes in the corporate structure or in the activities carried out.

To this end, the Supervisory Board is assigned the task of carrying out the following activities:

- carry out periodic checks on individual transactions or acts within the areas at risk of offences, with the help of the heads of the<sup>3</sup> departments involved;
- involve operational contact persons in the audits, also directly;
- carry out unannounced spot checks on effective compliance with existing procedures and other control systems in areas at risk of offences;
- constantly monitor the evolution of the corporate organisation and business sectors, in order to promote the possible updating, also through external consultants, of the list of corporate areas at risk of offences, with the cooperation of the heads of the corporate functions involved;
- request, from the heads of each area at risk of offence, the information deemed relevant in order to verify the effectiveness and adequacy of the Model and, if necessary, a periodical self-assessment by the functions;
- collecting reports from any employee in relation to:
  - any critical aspects of the measures provided for in the Organisation, Management and Control Model;
  - violations thereof;
  - any situation that might expose the company to the risk of crime;
- collect and store in a specially dedicated archive:

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<sup>3</sup> Head of function(s) means the head of function or the director in charge of hierarchically or functionally dependent units.

- the documentation, updated from time to time, relating to the procedures and other measures provided for in the Organisation, Management and Control Model;
- information collected or received in the course of its activities;
- evidence of the various activities carried out;
- documentation of meetings with corporate bodies to which the Supervisory Board reports;
- verify that all heads of function in the areas at risk of offences ensure that the employees reporting to them are aware of and comply with the procedures or any other provisions of interest to the function;
- coordinating with the relevant department heads to ensure the ongoing training of personnel in relation to the issues of Legislative Decree 231/01;
- provide recommendations to the other corporate functions concerned, for the drafting of new procedures and the adoption of other organisational measures, as well as, if necessary, for the amendment of existing procedures and measures;
- monitor, also with the support of the Compliance function and/or with the aid of external consultants, the regulatory provisions relevant to the effectiveness and adequacy of the Organisation, Management and Control Model;
- scheduling periodic meetings with the heads of the functions concerned, in order to gather information useful for any updating or modification of the Organisation, Management and Control Model;
- autonomously entrust appointments to professionals and consultancy firms, in relation to matters relevant to Legislative Decree No. 231/2001;

- submit, if necessary, written proposals to adapt the Organisation, Management and Control Model to the Board of Directors for subsequent approval;
- verify the implementation of the proposals for adaptation of the Organisation, Management and Control Model previously formulated;
- access to all relevant company documentation for the purpose of verifying the adequacy of and compliance with the Organisation, Management and Control Model and the Ethics Code.

The Supervisory Board shall have its own fund for the performance of its functions, to the extent approved by the Board of Directors.

The activities carried out by the Body may not be reviewed by any other corporate body or structure, it being understood, however, that the management body is in any case called upon to carry out a supervisory activity on the adequacy of its intervention, since the management body bears ultimate responsibility for the functioning and effectiveness of the Model.

In order to be able to fully perform its functions, the Supervisory Board has adequate financial resources and is entitled to make use of the support of the existing corporate structures. Moreover, while retaining ownership of its activities, it may use the support of external consultants.

The body formulates a regulation of its activities (determination of the time intervals of controls, identification of criteria and procedures for analysis, scheduling of activities, minutes of meetings, etc.).



### 6.3 Reporting to corporate bodies

The Supervisory Board reports the results of its activities to the Board of Directors and the Board of Auditors.

In particular, the Supervisory Board:

- constantly reports on its activities to the Managing Director or the Chairman of the Board of Directors;
- reports half-yearly to the Board of Directors, in a written report, on its supervisory activities aimed at promoting the maintenance and updating of the Organisation, Management and Control Model;
- forward a copy of this report to the Board of Auditors;
- immediately reports to the Board of Directors and to the Managing Director or the Chairman of the Board of Directors in the event of facts highlighting serious critical aspects of the Organisation, Management and Control Model;
- submit proposals for amendments and/or additions to the Organisation, Management and Control Model to the Board of Directors, where appropriate, and/or to the Managing Director or the Chairman of the B.o.D., also taking into account any criticalities detected, for its subsequent approval.

### 6.4 Information flows

The supervisory activity on the effectiveness of the Organisation, Management and Control Model is facilitated by a series of information that the individual corporate functions must provide to the Supervisory Board, as also provided for by Article 6,

paragraph 2, letter d) of Legislative Decree 231/01 or by the so-called information flows to the Supervisory Board (the "Information Flows").

The obligation to provide the information required under Article 6(2)(d) of Legislative Decree No. 231/01 is addressed to the corporate functions at risk of offences and concerns the periodic results of the activities carried out by them and the atypicalities or anomalies found in the information available.

In addition, all information relevant to the supervisory activity must be forwarded to the Supervisory Board, such as, by way of example:

- decisions relating to the application for, disbursement and use of public funds;
- measures and/or information from judicial police bodies, or any other authority, from which it is inferred that investigations are being conducted, even against unknown persons, for the offences referred to in the Legislative Decree;
- requests for legal assistance made by employees and/or managers against whom the Judiciary is proceeding for one of the offences referred to in Legislative Decree 231/01;
- summary statements of contracts awarded following participation in national and European tendering procedures, or by private treaty;
- reports prepared by the heads of the company's Areas/Functions in the context of the control activities carried out, from which facts, acts, events or omissions may emerge with critical profiles with respect to the provisions of the Decree;
- copy of the periodic reports on health and safety at work (e.g. copy of the Risk Assessment Document, any updates, etc.), as well as on accidents, injuries,

inspection visits and/or any other circumstance relevant to the application of the Model;

- news about orders awarded by public bodies or entities performing public utility functions;
- the findings of any commissions of enquiry, or internal reports from which responsibility for the offences referred to in Legislative Decree 231/01 emerges;
- summary reports of sensitive activities performed;
- any amendments and/or additions to the system of delegated and proxy powers;
- information on the actual implementation, at all levels of the company, of the Organisation, Management and Control Model, with evidence of any disciplinary proceedings carried out and any sanctions imposed, or of the measures archiving such proceedings with the relevant reasons.
- the results of the checks - preventive and subsequent - that were carried out during the reference period, on contracts awarded to market operators, following national and European tenders, or by private treaty;
- the results of the monitoring and control already carried out in the reporting period, on contracts acquired from public entities or entities performing public utility functions.

In addition to the aforementioned reporting system, the periodic communications prepared by the Administration, Finance and Control Department concerning the absence of critical issues that have emerged in its activities must be considered as qualifying elements of the control system on financial flows.

The Supervisory Board has the task of requesting, if necessary, any additions to the information, which must be transmitted to it by the individual company departments.

## 6.5 Reports of violations

Legislative Decree No. 24 of 10 March 2023, on the '*Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws*', significantly broadened the scope of application of the rules on reporting breaches.

In particular, among the various innovations introduced by the aforementioned Legislative Decree 24/2023, an important one is the extension of the catalogue of violations (the 'Violations') that can be reported (the 'Reporting'), as well as of the persons entitled to make such a report (the 'Whistleblowers' or 'Reporting Persons'). As set out in Article 2 of Legislative Decree 24/2023, Violations are defined as conduct, acts or omissions that damage the integrity of the entity and consist of:

- unlawful conduct relevant under Legislative Decree 231/2001, or violations of Model 231;
- non-compliance with the European Union or national regulations set out in the Annex to Legislative Decree 24/2023 or the Annex to Directive (EU) 2019/1937, relating to the following areas: public procurement; services, products and financial markets and prevention of money laundering and financing of terrorism; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and personal data protection and network and information system security;

- infringement of the European Union's financial interests as well as the European Union's rules on competition and State aid, corporate tax or mechanisms whose purpose is to obtain an undue tax advantage.

All employees of the Company and third parties collaborating with it (such as, by way of example but not limited to, attorneys, agents, collaborators in any capacity, consultants, self-employed workers who perform their work for the Company, suppliers, facilitators, business partners and the other subjects, as indicated in CMP04.00 (Q) - Whistleblowing Procedure) who become aware of news of conduct not in line with the provisions of the Organisation, Management and Control Model and the Ethics Code, issued by the Company, are obliged to inform the Whistleblowing Committee (hereinafter defined). These provisions also apply when the legal relationship has not yet begun, if information on Breaches has been acquired in the pre-contractual phase.

This obligation, moreover, forms part of the broader duty of diligence and loyalty of the employee; its fulfilment cannot give rise to the application of disciplinary sanctions and confidentiality must be guaranteed to those who report possible violations, in order to eliminate the possibility of retaliation.

Information on reportable or reportable infringements does not include information that is manifestly unfounded, information that is already fully in the public domain, or information acquired only on the basis of rumours or unreliable rumours (so-called rumours).

With regard to communications concerning irregularities and offences, employees of the Company and third parties collaborating with the Company may submit, in order to protect the integrity of the Company, Reports:

- based on precise and concordant factual elements of unlawful conduct relevant under Legislative Decree 231/01;
- of violations of the Organisation, Management and Control Model, of which they have become aware in the course of their duties;
- of further violations referred to in Article 2 of Legislative Decree 24/2023.

In fact, in addition to unlawful conduct relevant under Legislative Decree no. 231/001 or violations of the Model, it should be noted that Reports may also be made concerning further Violations referred to in Article 2 of Legislative Decree 24/2023.

In order to comply with the aforementioned Legislative Decree 24/2023 and to encourage and protect potential Whistleblowers, the Company has set up specific reporting channels for sending Reports of Violations, defining - in CMP04.00 (Q) - Whistleblowing Procedure, to which reference should be made for further details - also the operating procedures and responsibilities for receiving, assessing, managing and closing Reports.

Reporting may take place via a single Internal Reporting channel ("EQS Integrity Line") of Violations (the "Internal Reporting Channel"), whereby Reports may be made either in written form or orally via the voice messaging system. Alternatively, at the request of the Whistleblower, an Internal Report can be made by means of a face-to-face meeting set within a reasonable period of time with the manager of Internal Reporting System ('the Internal Reporting Manager') who is a member of the internal reporting committee (the 'Reporting Committee') composed of the members of the Supervisory Board, the Compliance and Internal Audit Function, by requesting it through the Internal Reporting Channel.

All Reports are received by the Reporting Committee.

Depending on the type of offence reported, if it relates to the Model pursuant to Legislative Decree No. 231/2001, the investigations are coordinated by the Supervisory Board, with the support of Internal Audit and Compliance or otherwise by Internal Audit and Compliance.

The Internal Reporting Channel is periodically audited and its messages are only accessible by the Internal Reporting Manager.

It is important to emphasise that if the Report is mistakenly received by a non-competent person or through a channel other than the platform set up (e.g. in a sealed envelope on which it is indicated that it is a Whistleblowing Report), the person who mistakenly receives the Report must promptly forward it to the competent persons.

Finally, it should be noted that the external reporting channel managed by the National Anti-Corruption Agency (ANAC) is only envisaged under certain conditions expressly provided for by Legislative Decree 24/2023. In this regard, please refer to the procedures for the submission and management of external Reports currently being issued by the ANAC itself.

The channels adopted guarantee in any case the confidentiality of the reporter, the person involved or the person mentioned in the Report, the content of the Report and the related documentation.

The Company puts in place adequate safeguards to protect the whistleblower, as well as those assisting the whistleblower in the Reporting process and operating within the same regulatory framework, and the other persons indicated by Legislative Decree 24/2023. In particular:

- the confidentiality of the whistleblower and the reported person, the facilitator, the persons involved in the report and the other persons indicated

pursuant to Legislative Decree 24 of 10 March 2023 are guaranteed; the identity of the whistleblower, the reported person and the other persons involved as well as all the information relating to the report are protected in any context subsequent to the Internal Reporting pursuant to Legislative Decree 24 of 10 March 2023;

- it is forbidden to engage in retaliatory or discriminatory conduct against the whistleblower, as well as against those assisting the whistleblower in the whistleblowing process and operating within the same work context, and the other persons referred to in Legislative Decree 24/2023; anyone engaging in such conduct may be subject to disciplinary proceedings;
- the whistleblower shall not be subject to disciplinary action for Reports made, even if unfounded, except in cases of wilful misconduct and/or gross negligence;
- if the whistleblower is jointly responsible for the breach, he/she may, subject to applicable law, be granted different and better treatment than the other jointly responsible persons.

In relation to the Whistleblowing management process, the Whistleblower must follow the **https web link** published on the company's website and intranet; for operating procedures, please refer to Procedure CMP04.00 (Q) - Whistleblowing Procedure.

The reporting management process is structured as follows:

- **Step 1 - Initiation of the Investigation:** the process of handling the Report is initiated when the Internal Reporting Manager becomes aware of the Report through the above-mentioned channel.



- **Step 2 - Preliminary Assessment:** Upon receipt of an Internal Report, the Internal Reporting Manager performs the following activities:
  - issues the whistleblower with an acknowledgement of receipt of the Report within seven days of its receipt;
  - maintains interlocutions with the whistleblower and may request additions from the latter, if necessary;
  - diligently follows up on Reports received.
  - provides feedback to the whistleblower, within the time limits provided for by law.

If the Report is deemed inconsistent with the defined scope, the Internal Reporting Manager files it without initiating any investigation and informs the whistleblower. Moreover, if a Report is found to be manifestly unfounded and/or made with malice aforethought for defamatory purposes, the Internal Reporting Manager shall promptly inform the competent structures in order to assess any initiatives to be taken.

- **Step 3 - Investigation/Assessment:** If the Report is deemed to be consistent with the defined scope, the Internal Reporting Manager initiates the appropriate investigations into the contents of the Report, in compliance with the obligations of confidentiality and processing of personal data set out in Legislative Decree 24 of 10 March 2023.

The obligation to keep the identity of the whistleblower confidential and the advisability of communicating the receipt of the Report to the reported person, for defence reasons, only in the presence of the whistleblower's express consent to the disclosure of his/her identity, is established and regulated pursuant to Legislative Decree 24 of 10 March 2023.

The Reporting Committee then:

- initiate specific analyses, involving, where appropriate, the corporate functions concerned by the Report from time to time competent, the Group HR Director and CEO (subject to verification of their extraneousness to the acts/acts subject of the Report) and, where deemed appropriate, external consultants specialised in the field of the Report received;
- terminate the investigation at any time if, in the course thereof, it is established that the Report is unfounded;
- conduct a thorough, fair, impartial investigation that protects the confidentiality of the identity of the Whistleblower and of the persons involved, including the reported person.

In the event that the reported breach exposes the Company to significant risks, the Reporting Committee immediately informs the corporate bodies concerned, after verifying that they are not involved in the acts/acts reported.

- **Step 4 - Conclusion of the investigation:** Upon conclusion of the investigation, within three months from the date of the acknowledgement of receipt or, in the absence of such an acknowledgement, within three months from the expiry of the seven-day period from the submission of the Report, the Internal Reporting Manager informs the whistleblower of the outcome of the investigation.

All paper/electronic documentation produced and/or received as a result of the Report and during the course of the investigation is kept under the direct responsibility of the Reporting Committee in special password-protected paper or electronic files with restricted access.

The Reports and the related documentation shall be kept for the time strictly necessary for their management and, in any case, no longer than five years from the date of communication of the final outcome of the Reporting Procedure, in compliance with the confidentiality obligations set out in Article 12 of Legislative Decree 24/2023 and the principle set out in Article 5(1)(e) of Regulation (EU) 2016/679 and Article 3(1)(e) of Legislative Decree 51/2018.

Once the aforementioned retention time limits have been reached, the Personal Data will be deleted so that the Data Subject cannot be identified.

As regards the reported person, on the other hand, notification of the initiation and outcome of the investigation only takes place in the event of the need to take specific measures against him/her and in any case, in compliance with the Workers' Statute and the applicable CCNL.

## **6.6 Validity of Resolutions**

For resolutions of the Supervisory Board to be valid, the presence of a majority<sup>4</sup> of the members in office is required. For resolutions concerning sensitive issues, i.e. particularly important issues or issues concerning the top management of the company, the presence of all the members of the Supervisory Board in office is required.

Resolutions of the Supervisory Board are passed by an absolute majority of those present. The vote is open, unless the Supervisory Board decides otherwise.

## **7 Outcome of the Risk Assessment activity**

The types of offences, in relation to which the regime of the administrative liability of entities is applicable, are listed briefly in this Model, in the chapter dedicated to the

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<sup>4</sup> Half plus one of the members in office.

description of the regulations of Legislative Decree 231/01. These offences are identified more fully in the List of offences, as well as in the Special Parts, which represent the outcome of the risk assessment activities carried out at PetrolValves, and which indicate the control measures adopted by the Company to prevent the risks identified.

As is well known, the identification of the areas in which the types of offences relevant to Legislative Decree 231/01 may theoretically be committed presupposes that all company processes within the company are screened. The company document entitled "Risk assessment" summarises the result of this analysis.

In particular, the following operational approach was observed to ensure that the Model adequately reflects the company's reality:

#### *A) IDENTIFICATION OF 'CRIME RISK' AREAS*

##### *A1. Identification of abstractly relevant '231' offences*

In this phase, those relevant to the Company were identified, within the types of offences covered by the Decree at the time the activities were carried out, taking into account: the nature of the activities carried out, the characteristics of the transactions involved, and the 'history' of the entity.

##### *A2. Identification of the main potential ways of committing offences*

With reference to the offences identified as abstractly relevant in the previous phase, the main potential ways in which offences may be committed have been identified by way of example.

##### *A3. Identification of the main areas/activities concerned by possible offences and the relevant organisational units*

Identification of the main offence-risk areas and, for each of them, the relevant sensitive activities, together with the related organisational units, based on the current organisational structure of the Company.

#### *B) ANALYSIS OF PREVENTIVE CONTROLS: RISK ASSESSMENT & GAP ANALYSIS*

For each identified risk area, the following steps were taken:

- the identification and evaluation of existing controls;
- the identification of any deficiencies and/or areas for improvement in the design of the control system;
- the formulation of suggestions for overcoming the critical issues/areas for improvement identified;

by analysing available documentation and conducting interviews with the Company's management and relevant company representatives.

The mapping of activities at risk must be constantly updated, both as a result of changes in corporate processes and as a result of legislative changes relating to the catalogue of offences to which Legislative Decree 231/01 applies.

The results emerging from the mapping of risk activities are the subject of a specific periodical communication by the Supervisory Board to the Board of Directors.

With particular reference to the offences of culpable homicide and serious or very serious culpable lesions committed in violation of the rules on accident prevention and on the protection of hygiene and health at work, the Company has carried out a careful analysis aimed at identifying the areas potentially affected, not excluding a priori any sphere of activity, since, in all abstract terms, such offences could in fact involve all company components.

As a result of the risk assessment activity, it emerged that, with specific reference to the activity carried out by PetrolValves, the offences potentially at risk of being committed can be identified in the following cases

- offences against the Public Administration (Articles 24 and 25)
- Computer crimes and unlawful processing of data (Article 24-bis)
- organised crime offences (Article 24-ter)
- offences relating to forgery of money, public credit cards and revenue stamps in instruments or signs of recognition (Article 25-bis)
- offences against industry and trade Article 25-bis.1)
- corporate offences (Article 25-ter)
- offences for the purpose of terrorism or subversion of the democratic order (Article 25-quater)
- Crimes of manslaughter and grievous or very grievous bodily harm committed in breach of the rules on accident prevention and the protection of hygiene and health at work (Article 25-septies)
- offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, and selflaundering (Article 25-octies)
- copyright infringement offences (Article 25-novies)
- offence of inducement not to make statements or to make false statements to the judicial authorities (Article 25-decies)
- environmental offences (Art. 25-undecies)
- crime of employment of third-country nationals whose stay is irregular (Article 25-duodecies)
- tax offences (Art. 25-quinquiesdecies)
- smuggling offences (Art. 25-sexiesdecies)

- offences against the cultural heritage (Article 25-septiesdecies of Legislative Decree 231/2001)
- laundering of cultural goods and devastation and looting of cultural and landscape assets (Article 25-duodicies of Legislative Decree No. 231/2001)
- transnational crimes.

The types of offences provided for in the following articles have not been identified as possible risk profiles:

- Art. 25-quater.1 - Female genital mutilation practices;
- Art. 25-quinquies - Crimes against the individual;
- Art. 25-sexies - Market abuse;
- Art. 25-octies.1 - Offences relating to non-cash payment instruments;
- Article 25-quaterdecies - Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices.

For an effective prevention activity, aimed at preventing the commission of the offences, which the Model is intended to prevent, specific internal control systems based on

- adherence to legislative provisions, internal rules and principles of conduct;
- Adequate record keeping and traceability of relevant operations (e.g. minutes, preliminary notes, resolutions on access to funding), so that each operation, transaction or action is verifiable;
- formalised separation of functions and pairing of signatures (e.g. function requesting the purchase different from the function making the payment), to avoid the concentration of the management of an entire process on a single person;

- clear definition of tasks and responsibilities, with precise indication of expenditure approval thresholds;
- adherence to the Ethics Code, rules of conduct and organisational procedures, drawn up by the company in order to regulate all company activities and to base them on criteria of transparency and ethicality;
- appropriate requirements of independence, autonomy, professionalism and continuity of action of the Supervisory Board;
- obligation to periodically communicate relevant information, from the individual corporate functions to the Supervisory Board, in order to ensure a control system capable of providing timely warning of the existence of general or particular critical situations;
- obligation to document the checks carried out (possibly by drawing up minutes);
- application of sanctions for violation of the rules laid down in the Ethics Code of the rules laid down in the Organisation, Management and Control Model.

In the field of occupational health and safety, the company pays particular attention to:

- recruitment and qualification of personnel;
- organisation of work and workstations;
- acquisition of goods and services and communication of appropriate information to suppliers and contractors;
- normal and extraordinary maintenance;
- qualification and selection of suppliers and contractors;



- emergency management;
- procedures for dealing with non-compliance with the objectives set and the rules of the control system.

Occupational health and safety management includes a phase of checking that the risk prevention and protection measures, adopted and assessed as suitable and effective, are maintained. The technical, organisational and procedural prevention and protection measures implemented by the company are subject to planned monitoring, as provided for in the occupational health and safety management system adopted by the Company.

## **8 Training of the addressees of the Model and its dissemination in the corporate context.**

### **8.1 Staff training and dissemination in the corporate context**

The Human Resources Department, in cooperation with the Compliance Manager, takes care of the proper training of personnel on the application of the Organisation, Management and Control Model.

This training is subject to verification by the Supervisory Board.

The dissemination of information may be carried out in the following ways:

- training sessions;
- informative notes;
- annual communications on any changes to the Organisation, Management and Control Model;
- appropriate information published on the company intranet.

In order to facilitate personnel training in relation to the contents of the Organisational Model and the Ethics Code, the Company may proceed either through classroom training or through a specific on-line training program.

The training programs and the contents of the information notes will be shared with the Supervisory Board.

The Company considers specific training on health and safety at work an essential component of the Model.

The performance of tasks that may affect health and safety at work requires adequate competence, to be verified and nurtured through the provision of education and training aimed at ensuring that all personnel, at all levels, are aware of the importance of the conformity of their actions with the organisational model, as well as of the possible consequences of conduct that deviates from the rules laid down therein.

Each worker must receive sufficient and appropriate training with particular reference to his or her job and duties. This must take place when they are recruited, when jobs are transferred or changed, or when new work equipment, new technologies, new substances, etc. are introduced.

The company will provide training according to the needs identified periodically.

## **8.2 Information to external collaborators**

In letters of appointment to external parties (e.g. agents, collaborators, suppliers of goods or services), specific informative notes will be attached concerning the

application of the Organisation, Management and Control Model and compliance with the Ethics Code. Supply or collaboration contracts (agency, partnership, etc.) will also include specific clauses making explicit reference to compliance with the provisions of the Ethics Code and providing, in the event of violation, for a warning to comply with the aforementioned provisions, or the application of penalties or, again, termination of the contractual relationship.

## **9 System sanctions**

### **9.1 Disciplinary system**

A qualifying point in the construction of the Organisation, Management and Control Model pursuant to Legislative Decree 231/01 is the provision of an adequate disciplinary system, which is suitable for sanctioning non-compliance with the measures indicated in the Model itself, in the Ethics Code and in the organisational procedures.

The subject of sanctions are, in particular, both violations of the Model committed by persons in a 'top management' position, insofar as they hold functions of representation, administration and management of the entity or of one of its organisational units with financial and functional autonomy, or hold the power, even if only de facto, of management or control of the entity; and violations of the Model committed by members of control bodies; and violations perpetrated by persons subject to the management or supervision of others, or operating in the name and/or on behalf of the Company. The Company reserves the right to include specific express termination clauses in the contracts stipulated with the latter, which provide for the termination of the contract if the counterparty engages in conduct contrary to the

principles and rules contained in the Model or conduct that may constitute one of the predicate offences provided for in the Decree, without prejudice to the Company's right to claim compensation for any damages incurred.

Such violations damage the relationship of trust established with the entity and also constitute a breach of the employee's obligations of diligence and loyalty under Articles 2104 and 2105 of the Civil Code.

Therefore, since the ethical rules imposed by the Model and the Ethics Code are assumed by the company in full autonomy, regardless of the offence that any conduct may determine, the application of disciplinary sanctions is independent of the outcome of any criminal proceedings.

The new precepts will be subject to the procedural guarantees set out in Law No. 300/1970 ("Workers' Statute") and the specific provisions of the CCNL.

This disciplinary system, in addition to being published on the company intranet, is posted at company headquarters, in a place accessible to all, in order to ensure that it is fully known by the recipients identified below.

Failure to comply with the provisions contained in Legislative Decree No. 231 of 2001, and with the application measures defined in the Organisational Model and the Ethics Code, also constitutes a valid reason for the termination of the contractual relationship with respect to collaborators not subject to subordination ties, in respect of whom the general remedies under civil law shall be applied.

The type and extent of the sanction will be determined in relation to:

- the intentionality of the conduct or degree of negligence, recklessness or inexperience, with regard also to the foreseeability of the event;
- the overall conduct of the person committing the disciplinary offence, with particular regard to the existence or non-existence of any previous disciplinary record of that person, to the extent permitted by law;
- the duties of the person committing the disciplinary offence;
- the functional position of the persons involved in the facts constituting the fault;
- the other particular circumstances accompanying the disciplinary breach.

Where the Supervisory Board finds procedural violations in the course of its audits, it reports to the competent bodies of the Company for the initiation of the necessary actions.

The Supervisory Board must be informed of the outcome of the disciplinary proceedings.

### **9.1.1 Sanctions for employees**

Conduct by workers in violation of the individual rules of conduct set out in the Organisation, Management and Control Model and the Ethics Code are defined as disciplinary offences.

The sanctions that can be imposed on workers are those provided for, in compliance with the procedures and limits set out in Article 7 of Law No. 300 of 30 May 1970 (Workers' Statute), by the National Collective Agreement ('CCNL') for the Metalworking sector (Title VII, Articles 8 et seq.).

The individual cases considered and the sanctions concretely provided for the commission of the acts themselves take on significance depending on the seriousness of the violation.

The sanctions abstractly applicable are:

- VERBAL WARNING;
- WRITTEN WARNING;
- FINE (subject to a maximum of 3 hours' pay);
- SUSPENSION FROM WORK AND PAY UP TO A MAXIMUM OF 3 DAYS;
- DISMISSAL WITH NOTICE;
- DISMISSAL WITHOUT NOTICE.

In particular, in application of the CCNL, it is provided that:

- 1) Any worker who violates one of the internal procedures and/or the principles laid down in the Organisational, Management and Control Model and/or in the Ethics Code and adopts, in the performance of activities in 'sensitive' areas, a conduct that does not comply with the prescriptions deriving from the aforementioned documents, shall incur a VERBAL WARNING. In fact, in such conduct, non-compliance with the provisions brought to the company's attention by service orders or other suitable means must be recognised.
  
- 2) Any worker who repeatedly violates internal procedures and/or the principles laid down in the Organisation, Management and Control Model and/or in the Ethics Code and who, in the performance of activities in areas at risk, repeatedly adopts a conduct that does not comply with the

prescriptions deriving from the aforementioned documents, shall incur a WRITTEN WARNING. Such conduct shall be construed as repeated non-compliance with the provisions brought to the company's attention by service orders or other suitable means.

- 3) Any worker who violates one of the internal procedures and/or the principles laid down in the Organisation, Management and Control Model and/or the Ethics Code and adopts, in the performance of activities in "sensitive" areas, a conduct that does not comply with the prescriptions deriving from the aforementioned documents, exposes the company to a situation of risk of committing one of the offences to which Legislative Decree no. 231/01 applies, shall incur a fine not exceeding 3 hours' pay.
- 4) The measure of SUSPENSION FROM WORK AND PAY OF UP TO A MAXIMUM OF 3 DAYS shall be applied to any worker who, in breach of internal procedures and/or the principles laid down in the Organisation, Management and Control Model and/or in the Ethics Code, adopts a conduct that does not comply with the requirements set out in the aforesaid documents when carrying out activities in areas at risk, or who, by performing acts contrary to the interests of the company, causes damage to the company and exposes it to an objective situation of danger to the integrity of the company's assets. In fact, in such conduct one must recognise the determination of damage or of a situation of danger for the integrity of the company's assets, or the performance of acts contrary to its interests, also resulting from the non-compliance with the provisions

brought to the company's attention by service orders or other suitable means.

- 5) Any worker who adopts, in the performance of activities in areas at risk, a conduct that does not comply with the provisions of the Organisation, Management and Control Model and/or of the Ethics Code, unequivocally aimed at committing an offence sanctioned by Legislative Decree No. 231/2001, shall incur the measures of DISMISSAL WITH NOTICE. In fact, in such conduct, one must recognise the determination of a considerable damage or a situation of considerable prejudice.
- 6) The measure of DISMISSAL WITHOUT NOTICE shall be applied to any worker who adopts, in the performance of activities in areas at risk, a conduct in serious breach of the provisions of the Organisation, Management and Control Model and/or of the Ethics Code such as to determine the concrete application against the company of the measures provided for by Legislative Decree 231/01. In fact, such conduct radically undermines the company's trust in the worker.

### **9.1.2 Measures against managers**

In the event of violation by executives of the principles set out in the Organisation, Management and Control Model and/or in the Ethics Code, or of the adoption, in the performance of activities in areas at risk, of a conduct that does not comply with the prescriptions deriving from the aforementioned documents, the most appropriate measures will be applied against those responsible, in accordance with the provisions of the National Collective Labour Agreement for Executives.



Since, according to the provisions of the National Collective Bargaining Agreement for Industrial Company Executives, for all that which "is not otherwise regulated by this contract, the collective contractual and legislative provisions in force for the highest category employees of the company to which the executive belongs" apply, for the purposes of identifying the conduct liable to sanctions and the relevant measures, please refer to the preceding paragraph, numbers 1 to 6.

The company's top management must be informed of the violations committed so that they can take the necessary decisions.

### **9.1.3 Measures in cases of breaches of reporting rules**

Pursuant to Article 6, paragraph 2-bis of Legislative Decree 231/01, sanctions are imposed by the competent bodies, according to the internal rules of the Company and the relevant CCNL:

- 1) who violates the measures for the protection of the whistleblower;
- 2) those who make Reports made with malice or gross negligence that are found to be unfounded.

## **9.2 Other protective measures in the event of non-compliance with the requirements of the Model**

### **9.2.1 Measures against directors**

Those who hold senior positions within the company have a duty to orientate their business ethics and to base their activities on respect for the principles of legality, transparency and fairness.

If, in the course of the Supervisory Board's verification activities, a possible violation by the Directors of the provisions of the Model emerges, the Supervisory Board is required to inform the entire Board of Directors and the entire Board of Statutory

Auditors as soon as possible; should the latter ascertain the violation, they shall take all appropriate steps permitted by law.

In the event that any violations are so serious as to jeopardise the relationship of trust between the individual and the company, the Board of Directors shall convene the Shareholders' Meeting in order to propose the removal from office.

### **9.2.2 Measures against Statutory Auditors**

In the event that a possible violation on the part of the Statutory Auditors emerges during the course of the Supervisory Board's verification activities, the Supervisory Board is required to inform the entire Board of Directors and the entire Board of Auditors as soon as possible, and the latter may take any appropriate initiative permitted by law.

In the event that any violations are so serious as to constitute just cause for revocation, the Board of Directors shall convene the Shareholders' Meeting in order to propose the appropriate measures.

### **9.2.3 Measures against external collaborators**

Conduct by self-employed workers (occasional collaborators, consultants, etc.) that conflicts with the lines of conduct indicated by the Organisation, Management and Control Model and/or the Ethics Code will result in the application of contractual clauses (penalties and/or contract termination), as well as the general legal provisions on non-performance and just cause for termination.