



**Pietro
Fiorentini**

ORGANISATION, MANAGEMENT AND CONTROL MODEL

**pursuant to Italian Legislative Decree of 8
June 2001, no. 231**

**Approved by the Board of Directors of 24 November 2004 and updated with the BoD's
resolutions of 19.12.2007, 22.12.2010, 15.01.2014, 20.12.2017 and 12.06.2018**

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DEFINITIONS AND ABBREVIATIONS

In this Model, the following meanings apply:

Sensitive activities: company activities within which the opportunities, conditions and tools to commit crimes might potentially be created.

CCNL: the contract that applies to the employees of Pietro Fiorentini S.p.A., namely the National Labour Collective Agreement for the metalworking and mechanical engineering industry.

Code of Ethics: the Group's code, containing the general principles and rules of conduct that every internal and external individual relating directly or indirectly with the Company must comply with; the Code of Ethics aims to recommend, promote or forbid certain conduct, beyond and regardless of the regulatory provisions, and expresses principles of internal ethics that the Group upholds.

Associates: individuals who have relationships of cooperation with the Company outside of salaried employment, sales representation and other relations that are rendered through professional services which are not subject to an employment contract, whether long-term or occasional, such as agents, sales and non-sales consultants, procurers and similar, contractors in private and public contracts, vendors and whoever, by virtue of specific appointments and powers of attorney, represents the Company with third parties.

Board of Directors (also BoD): the Pietro Fiorentini S.p.A. Board of Directors

Decree or Legislative Decree. 231/2001: Italian Legislative Decree of 8 June 2001 no. 231, setting forth *"The regulation of the administrative liability of legal persons, companies and associations including those without a legal personality, pursuant to art. 11 of law of 29 September 2000, no. 300"*, in the legislation in force from time to time.

Recipients: individuals that the provisions of the Model apply to, listed in paragraph 2.2.

Employees: individuals subject to the management or supervision of persons who perform functions of representation, administration or management of the Company, namely all persons who have an employment relationship, of whatever nature, with the Company, as well as workers with semi-subordinate employment contracts.

Vendors: subjects who supply goods or services to Pietro Fiorentini.

Group: the Company and all of its subsidiaries and associated companies, as well as stable organisations and representation offices.

Public Service Officers: pursuant to criminal law, anyone who for whatever reason renders a public service, to be understood as an activity governed in the same forms as the public function, but characterised by the lack of the powers typical of said function, under Article 358 of the Italian Criminal Code.

Model or OMM: this organisation, management and control Model implemented in accordance with articles 6 and 7 of Legislative Decree 231/2001.

Inspection and Legal Metrology Body (also ODI): Inspection and Legal Metrology Body pursuant to Ministerial Decree of 21 April 2017, no. 93.

Supervisory Body (also Body or SB): the Body of the Agency having autonomous powers of initiative and control, with the task of monitoring the adequacy, operation and compliance with the Model as well as updating it.

Partners: subjects with whom the Company intends to achieve any form of partnership (through, for example, the establishment of joint ventures, also in the form of temporary association of companies, a consortium, a local company, etc.) and intended to cooperate with the Company.

Protocols: control measures adopted by the Company, in compliance with the provisions of art. 6 paragraph 2 letter. b) of the Decree, containing a set of rules and principles of control and conduct deemed appropriate to prevent the risk of committing Predicate Offences in sensitive activities identified by the Company.

Public Administration or PA: limited to the contractual relationships that the Company holds and for the purposes of this OMM, PA refers to all public law entities (local agencies, bodies governed by public law, as defined by the Consolidated Act on public employment under Italian Legislative Decree 165/2001) as well as bodies governed by private law, which perform a public function or are agencies of a public service as defined by the current Code of Public Contracts (It. Legislative Decree No. 50/2016, so-called "Public Procurement Code"), whether they are national or EU or non-EU entities.

Civil Servant: pursuant to criminal law, those who exercise a legislative, judicial or administrative public function in accordance with art. 357 of the Italian Criminal Code.

Predicate Offences or Crimes: crimes expressly referred to by the Decree and regulations under It. Legislative Decree 231/2001.

Company or Pietro Fiorentini: Pietro Fiorentini S.p.A. with registered office in Arcugnano (VI), at 8/10, via Enrico Fermi.

INTRODUCTION

The company Pietro Fiorentini Impianti Metano was founded in Bologna in January 1940. The company's enterprise initiative latched on to the energy development phase in Italy, first by manufacturing small equipment for the domestic consumption of gas and later by supplying gas distribution systems and other important installations for Milanese factories.

Over the years, the range of production and services has been greatly diversified, ranging from the production of medium- and low-pressure systems, to high-pressure systems, to applications in the oil sector, to process systems, to metering and remote reading systems, all through in-house research and development, as well as acquisitions of external companies. Production, at national and international level, is aimed at gas transportation and distribution companies, industrial customers, oil companies, as well as Italian and foreign main contractors within larger-scale projects. Fiorentini boasts operations across the globe, where it is present through subsidiaries and associated companies, for production and sales, permanent organisations and representative offices, as well as a network of distributors, representatives and agents. The company also has active partnerships with foreign production companies, to participate jointly in tenders in Italy and abroad, as well as to establish local production in individual countries in order to directly serve both the Oil and gas markets of the area (for example through contractual joint ventures).

Starting in 2008, Fiorentini began a restructuring process that affected the Group's corporate structure, as well as the Company's internal organisation, in order to offer innovative solutions, services and technology both in the upstream and downstream segments of the Oil & Gas sector, providing full coverage of the sector's value chain and at the same time strengthening its presence at international level.

In 2011 a subholding under Dutch law was established (Fiorentini International BV), which controls all of the Group's companies operating in countries that offer business opportunities in the upstream segment.

In addition to acting as a filter between the Company core and these countries, BV also performs an important due diligence activity on the Partners that Fiorentini associates or cooperates with in those regions, also valid for the purposes of 231, being able to access specific, sophisticated *compliance* tools.

In 2011 Fiorentini started a further evolution through the acquisition of investments in Terranova s.r.l., Samgas s.r.l. and Tecnosystem s.r.l. (the last two later merged by incorporation into Fiorentini) which allowed the Group's business to evolve in the downstream segment as well. In recent years, in particular, Fiorentini has developed and expanded its range of products and solutions for the natural gas industry, also in the context of the Smart Metering and Smart Grids projects, offering not only "smart" domestic and industrial meters, but also a series of services designed to support distribution companies in the management of processes concerning remote metering and remote

management of metering units and remote monitoring of cathodic protection systems. The growth recorded by the Group in the gas metering sector in recent years has led the Company to set up a single meter division, concentrating all the functions designated for research, development and production of the relevant products and services in a single facility located in Rosate, thereby reducing the number of sites and assuring, at the same time, a greater competitive advantage. The company's internal organisation has also undergone substantial changes aimed at correctly representing the existing value and process flows, thus realising the principles of lean enterprise, which have inspired the company for over twenty years.

1. IMPLEMENTATION OF THE FIORENTINI MODEL AND ITS PURPOSES

Fiorentini implemented and later updated this OMM following a complex effort to identify sensitive activities, with the aim of:

- upgrading its organisational structure to fulfil the provisions of the Decree;
- assessing the Company's existing measure, to ascertain their effectiveness for the purposes of the Decree;
- standardising and strengthening the measures already in place at Fiorentini in order to align them with Italian regulations, with particular reference to issues relating to the administrative liability of entities;
- assessing the instruments already used by the Company to counter breaches to company procedures and rules of conduct and establishing the relevant penalty measures;
- reinforcing the awareness by everyone working for and on behalf of Fiorentini, of the risk of committing an offence which is clearly stigmatised by the Company, as said offence is contrary to corporate interests and principles even when apparently providing immediate or even only indirect economic benefit;
- acting promptly to prevent or counter even an attempt to commit said offences, thanks to constant monitoring of the company's activity;
- improving company governance and corporate image.

The OMM was introduced at Fiorentini with a resolution of the Board of 24 November 2004 and subsequently updated as a result of both corporate/organisational changes and changes to standards/regulations. The BoD is responsible for updating and subsequently amending the OMM. The preparation and updating of this OMM was also inspired by the Guidelines issued by Confindustria in March 2002 and most recently updated in March 2014.

2. RECIPIENTS OF THE FIORENTINI MODEL

The principles and provisions of this document must be complied with by:

- the members of the BoD and the Board of Auditors;

- legal representatives and holders of mandates who act for and on behalf of the Company;
- Employees and Executives;
- Associates and Vendors to the extent of their involvement in the performance of activities in which committing one of the predicate offences referred to in the Decree is conceivable, and who do not have their own Model for the specific section of reference;
- as well as by anyone acting under the direction or supervision of top management within the scope of the assigned tasks and functions.

3. STRUCTURE OF THE MODEL

This document consists of a General Section and a Special Section.

The General Section describes the content of the Decree, the organisational structure of the Company, the methodology applied for the construction, updating and dissemination of the OMM, the role of the SB and the description of the disciplinary system implemented by the Company in compliance with the Decree.

The Special Section, on the other hand, contains the general Protocols, applicable to all company activities / processes identified as "sensitive", as well as the specific Protocols and those considered appropriate for preventing the risk of committing the offences considered.

The rules contained in the OMM are integrated with those of the Code of Ethics, although the two systems are meant to be complementary and not alternatives to each other, and fulfil different needs. In fact, the Code of Ethics is an independently implemented and applicable instrument, which aims to define and promote principles of business ethics, while the OMM meets specific provisions contained in the Decree, aimed at preventing particular types of crimes and which may coincide, in many cases, with the prohibitions and conduct imposed by the Code of Ethics.

GENERAL SECTION

1. ITALIAN LEGISLATIVE DECREE OF 8 JUNE 2001 No. 231

1.1. THE GENERAL PRINCIPLES OF THE REGULATIONS

The Decree introduced into our legal system the administrative liability of legal persons, companies and associations including without legal personality (hereinafter "**Entities**") in relation to certain types of crimes or administrative offences being committed or attempted, in the interest or for the benefit of the Entity, by:

- subjects who hold functions of representation, administration or management of the Entity or of one of its Organisational units with financial and functional autonomy, as well as natural persons who exercise, including de facto, management and control over said Entity (so-called "**Senior Executives**");
- individuals who are "Subject" to the management or supervision of the people described in the point above.

This is liability which, despite being defined as "administrative" by the legislator, features the characteristics of criminal liability, because:

- it is the result of an offence;
- it is ascertained by a criminal judge (during proceedings in which procedural provisions relating to a defendant are applied, if compatible, to the Entity).

The Entity's liability, in accordance with the Decree, is in addition to and not in replacement of that (criminal) of the offender: both the physical and the legal person will therefore be subject to criminal judgment.

1.2. CRIMES AND ADMINISTRATIVE OFFENCES THAT ENTITIES ARE LIABLE FOR

The liability of the Entity only exists for crimes (committed or attempted) expressly set forth by the legislator. In particular, this refers to:

Offences against the Public Administration and its assets (articles 24 and 25 of the Decree)

- Misappropriation to the detriment of the State or other public body (article 316-bis of the It. Criminal Code);
- undue receipt of contributions, funds or other disbursements from the State or other public body or the European Community (article 316-ter of the It. Criminal Code);
- fraud against the State or other public body (article 640, paragraph 2, no. 1 of the It. Criminal Code);
- aggravated fraud for obtaining public funds (article 640-bis of the It. Criminal Code);
- computer fraud against the State or other public body (article 640-ter of the It. Criminal Code);
- extortion (article 317 of the It. Criminal Code);
- bribery for the performance of duties (article 318 of the It. Criminal Code);
- bribery for an act contrary to the duties of one's office (article 319 of the It. Criminal Code);
- aggravating circumstances (article 319-bis of the It. Criminal Code);
- bribery in legal proceedings (article 319-ter of the It. Criminal Code);
- unlawful incitement to give or promise benefits (article 319-quater of the It. Criminal Code);

- bribery of a person appointed to a public service (article 320 of the It. Criminal Code);
- penalties for the briber (article 321 of the It. Criminal Code);
- instigation to bribery (article 322 of the It. Criminal Code);
- misappropriation, extortion, undue incitement to give or promise benefits, bribery and instigation to bribery of members of the International Criminal Court or agencies of the European Communities and officers of the European Communities and foreign States (article 322-bis of the It. Criminal Code).

Computer crimes and unlawful data processing (article 24-bis of the Decree)

- IT documents (art. 491-bis of the It. Criminal Code);
- unauthorised access to an IT or telecommunications system (article 615-ter of the It. Criminal Code);
- illegal possession and dissemination of access codes to computer or telecommunications systems (article 615-quater of the It. Criminal Code);
- dissemination of equipment, devices or computer programs aimed at damaging or interrupting an IT or telecommunications system (article 615-quinquies of the It. Criminal Code);
- interception, impediment or unlawful interruption of computer or electronic communications (article 617-quater of the It. Criminal Code);
- installation of equipment designed to intercept, prevent or interrupt computer or electronic communications (article 617-quinquies of the It. Criminal Code);
- damage to information, data and computer programs (article 635-bis of the It. Criminal Code);
- damage to information, data and computer programs used by the State or by other public bodies or however having public utility (article 635-ter of the It. Criminal Code);
- damage to IT or telecommunications systems (article 635-quater of the It. Criminal Code);
- damage to computer or telecommunications systems of public utility (article 635-quinquies of the It. Criminal Code);
- computer fraud of the electronic signature certifier (article 640-quinquies of the It. Criminal Code);

Organised crime offences (article 24-ter of the Decree)

- Criminal association (article 416 of the It. Criminal Code, with the exception of the sixth paragraph);
- criminal association aimed at reducing individuals to or holding them in slavery, trafficking of persons, purchase and sale of slaves and crimes relating to breaches to the provisions on illegal immigration as per article 12 of It. Legislative Decree no. 286/1998 (article 416, paragraph 6, of the It. Criminal Code);
- mafia-type association (article 416-bis of the It. Criminal Code);
- political-mafia electoral exchange (article 416-ter of the It. Criminal Code);
- kidnapping of a person for the purpose of extortion (article 630 of the It. Criminal Code);
- association aimed at the illegal trafficking of narcotic or psychotropic substances (article 74, Pres. Decree of 9 October 1990, No. 309);
- illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or open to the public of war or war type weapons or parts thereof, explosives, clandestine weapons and several common firearms (art. 407, paragraph 2, letter a), number 5), of the It. code of criminal procedure).

Counterfeiting crimes concerning currency, legal tender and bearer bonds, revenue stamps and instruments or signs of identification (article 25-bis of the Decree)

- Counterfeiting of currency, complicit spending and introduction into the State of counterfeit money (article 453 of the It. Criminal Code);
- alteration of currency (article 454 of the It. Criminal Code);
- non-complicit spending and introduction into the State of counterfeit money (article 455 of the It. Criminal Code);
- spending counterfeit money received in good faith (article 457 of the It. Criminal Code);
- counterfeiting of revenue stamps, introducing into the State, purchasing, holding or putting counterfeited revenue stamps into circulation (article 459 of the It. Criminal Code);
- counterfeiting of watermarked paper used for the production of legal tender, bearer bonds or revenue stamps (article 460 of the It. Criminal Code);
- manufacture or possession of watermarks or instruments for counterfeiting currency, revenue stamps or water-marked paper (article 461 of the It. Criminal Code);
- use of counterfeit or altered revenue stamps (article 464 of the It. Criminal Code);
- counterfeiting, altering or using trademarks or distinctive signs of patents, models and designs (article 473 of the It. Criminal Code);
- introduction into the State and trade of products with false signs (article 474 of the It. Criminal Code).

Crimes against industry and commerce (article 25-bis.1 of the Decree)

- Disruption of the freedom of industry or commerce (article 513 of the It. Criminal Code);
- unlawful competition with threats or violence (article 513-bis of the It. Criminal Code);
- fraud against national industries (article 514 of the It. Criminal Code);
- fraud in trade (article 515 of the It. Criminal Code);
- sale of non-genuine foodstuffs as genuine (article 516 of the It. Criminal Code);
- sale of industrial products with false signs (article 517 of the It. Criminal Code);
- manufacture and trade of goods made by misappropriating industrial property rights (article 517-ter of the It. Criminal Code);
- counterfeiting geographical indications or designations of origin of farm produce (article 517-quater of the It. Criminal Code).

Corporate crimes (article 25-ter of the Decree)

- False corporate communications (article 2621 of the It. Civil Code);
- minor facts (article 2621-bis of the It. Civil Code);
- false corporate communications of listed companies (article 2622 of the It. Civil Code);
- prevented control (article 2625, paragraph 2, of the It. Civil Code);
- unlawful repayment of paid-in capital (article 2626 of the It. Civil Code);
- illegal distribution of profits and reserves (article 2627 of the It. Civil Code);
- unlawful transactions on company or parent company stocks or shares (article 2628 of the It. Civil Code);
- transactions to the detriment of creditors (article 2629 of the It. Civil Code);
- failure to notify a conflict of interest (article 2629-bis of the It. Civil Code);
- formation of fictitious capital (article 2632 of the It. Civil Code);

- unlawful allocation of company assets by liquidators (article 2633 of the It. Civil Code);
- private-to-private bribery (article 2635, paragraph 3, of the It. Civil Code);
- instigation of private-to-private bribery (article 2635-bis of the It. Civil Code);
- unlawful influence on shareholders' meeting (article 2636 of the It. Civil Code);
- insider trading (article 2637 of the It. Civil Code);
- obstacle to performance of the public supervisory authorities' functions (article 2638, paragraph 1 and 2, of the It. Civil Code).

Crimes for the purposes of terrorism or subversion of the democratic order (article 25-quater of the Decree)

- Organisations for the purposes of terrorism, including international, or subversion of the democratic order (article 270-bis of the It. Criminal Code);
- aiding members (article 270-ter of the It. Criminal Code);
- recruitment for purposes of terrorism, including international (article 270-quater of the It. Criminal Code);
- training for terrorist activities, including international (article 270-quinquies of the It. Criminal Code);
- conduct for the purposes of terrorism (article 270-sexies of the It. Criminal Code);
- attack for terrorist or subversion purposes (article 280 of the It. Criminal Code);
- act of terrorism with deadly or explosive devices (article 280-bis of the It. Criminal Code);
- kidnapping for the purposes of terrorism or subversion (article 289-bis of the It. Criminal Code);
- instigation to commit any of the crimes under chapters one and two (article 302 of the It. Criminal Code).

Offence related to the practice of female genital mutilation (article 25-quater.1 of the Decree)

- Practice of female genital mutilation (article 583-bis of the It. Criminal Code).

Offences against the person (article 25-quinquies of the Decree)

- Reducing individuals to or holding them in slavery or servitude (article 600 of the It. Criminal Code);
- child prostitution (article 600-bis of the It. Criminal Code);
- child pornography (article 600-ter of the It. Criminal Code);
- possession of pornographic material (article 600-quater of the It. Criminal Code);
- virtual pornography (article 600-quater.1 of the It. Criminal Code);
- tourism initiatives aimed at exploiting child prostitution (article 600-quinquies of the It. Criminal Code);
- trafficking in human beings (article 601 of the It. Criminal Code);
- purchase and sale of slaves (article 602 of the It. Criminal Code);
- illegal brokering and exploitation of labour (article 603-bis of the It. Criminal Code);
- solicitation of minors (article 609-undecies of the It. Criminal Code).

Crimes of market abuse

Crimes (article 25-sexies of the Decree)

- Insider dealing (article 184 of It. Legislative Decree of 24 February 1998, No. 58 - TUF-Consolidated Act on Finances);
- market manipulation (article 185 of It. Legislative Decree of 24 February 1998, No. 58 - TUF-Consolidated Act on Finances).

- Administrative Offences (article 187-quinquies of TUF-Consolidated Act on Finances)
- Insider dealing (article 187-bis of It. Legislative Decree of 24 February 1998, No. 58 - TUF-Consolidated Act on Finances);
- market manipulation (article 187-ter of It. Legislative Decree February 24 1998, No. 58 - TUF-Consolidated Act on Finances).

Crimes of manslaughter and negligent Serious Personal Injury or Grievous Bodily Harm, committed with breach of the rules on occupational health and safety (article 25-septies of the Decree)

- Manslaughter (article 589 of the It. Criminal Code);
- personal injury through negligence (article 590 of the It. Criminal Code).

Crimes of receiving stolen goods, laundering, use of money, goods or benefits of unlawful origin (article 25-octies of the Decree)

- Receiving stolen goods (article 648 of the It. Criminal Code);
- money laundering (article 648-bis of the It. Criminal Code);
- use of money, goods or benefits of unlawful origin (article 648-ter of the It. Criminal Code);
- self-laundering (art. 648-ter.1 of the It. Criminal Code).

Crimes regarding copyright infringement (article 25-novies of the Decree)

- Criminal protection of the rights of economic and moral utilization (article 171, paragraph 1, letter a) bis and paragraph 3, It. Law No. 633/1941);
- criminal protection of software and databases (article 171-bis, paragraph 1, It. Law No. 633/1941);
- criminal protection of audiovisual works (article 171-ter, It. Law No. 633/1941);
- criminal liability relating to media (article 171-septies, It. Law No. 633/1941);
- criminal liability relating to audiovisual broadcasts with conditional access (article 171-octies, It. Law No. 633/1941).

Incitement not to make statements or to make false statements to the judicial authority (article 25-decies of the Decree)

- Incitement not to make statements or to make false statements to the judicial authority (article 377-bis of the It. Criminal Code).

Environmental crimes (article 25-undecies of the Decree)

These are offences under the It. Criminal Code and special laws. Specifically, in relation to committing offences under the It. Criminal Code:

- environmental pollution (article 452-bis of the It. Criminal Code);
- environmental disaster (article 452-quater of the It. Criminal Code);
- criminal offences against the environment (article 452-quinquies of the It. Criminal Code);
- trafficking and dumping of highly radioactive material (article 452-sexies of the It. Criminal Code);
- aggravating circumstances (article 452-octies of the It. Criminal Code);
- organised activities for unlawful waste trafficking (article 452-quaterdecies of the It. Criminal Code);
- killing, destroying, capturing, removing, holding of specimens of protected wild animal or plant species (article 727-bis of the It. Criminal Code);
- destruction or deterioration of habitats within a protected site (article 733-bis of the It. Criminal Code).

With reference to the offences under It. Legislative Decree 152/2006 "Environmental Regulations":

- Discharge of industrial waste water containing dangerous substances; discharges on the ground, in subsoil and in groundwater; discharge in sea water by ships or aircraft (article 137);
- unauthorised waste management activities (article 256, paragraph 1, letters a) and b) and paragraphs 3, 5 and 6);
- cleaning-up of sites (article 257);
- infringement of the obligations to communicate, maintain mandatory registers and forms (article 258, paragraph 4, sentence 2);
- illegal waste trafficking (article 259, paragraph 1);
- IT system for waste traceability control (article 260-bis, paragraphs 6 and 7, second and third sentences, and paragraph 8, first and second sentences);
- offences relating to emissions (article 279, paragraph 5).

Decree Law of 10 December 2013, no. 136, which was converted into Law of 6 February 2014, no. 6, introduced in the text of Legislative Decree of 3 April 2006, no. 152 the new article 256-*bis* with the title "Unlawful incineration of waste", which provides for the criminal sanction of the conduct of:

- Anyone setting fire to waste that is discarded or discarded in an uncontrolled manner;
- anyone depositing or discarding waste, or making it the object of cross-border traffic for subsequent unlawful incineration.

Although not specifically referred to in article 25-undecies, the provision is particularly significant in terms of administrative liability since, if the aforementioned offence is committed (or an attempt is made to commit it), this results in the liability – separately from the authors – of the owner (natural person) of the company or of the person responsible for the activity, otherwise organised, due to the failure to perform supervision, with the application of the disqualification sanctions set forth in article 9, paragraph 2, of the Decree.

In relation to committing the offences under It. Law 150/1992 "Regulation of crimes related to the application in Italy of the convention on international trade of endangered animal and plant species, as well as rules for the trade and holding of live specimens of mammals and reptiles which may constitute a danger to public health and safety":

- import, export or re-export, sale, holding for sale, transport, etc. in breach of the provisions of Council Regulation (EC) No. 338/97 of 9 December 1996, and subsequent implementations and amendments, for specimens belonging to the species listed in Annex A of said Regulation as amended (art. 1, paragraphs 1 and 2);
- import, export or re-export of specimens, under any customs procedure, without the required certificate or licence (etc.) in breach of the provisions of Council Regulation (EC) No. 338/97 of 9 December 1996, and subsequent implementations and amendments, for specimens belonging to the species listed in Annexes B and C of said Regulation as amended and unless the fact represents a more serious offence (article 2, paragraphs 1 and 2);
- holding live specimens of mammals and reptiles from reproduction in captivity that constitute a danger to public health and safety, except for the provisions of It. Law 157/1992 (article 6, paragraph 4);

- counterfeiting or alteration of certificates, licences, import notifications, declarations, notices of information for the purpose of acquiring a licence or a certificate, use of false or altered certificates or licences (offences of the Criminal Code referred to in art. 3-bis, paragraph 1).

In relation to committing crimes concerning the ozone and atmosphere set forth in article 3, paragraph 6, of It. Law No. 549/1993 "Measures to protect the stratospheric ozone and the environment".

In relation to committing the offences under It. Legislative Decree No. 202/2007 "Implementation of Directive 2005/35/EC on ship-source pollution and consequent sanctions":

- Malicious pollution (article 8, 1st and 2nd paragraphs);
- negligent pollution (article 9, 1st and 2nd paragraphs).

Crime of employing third-country nationals with irregular permits of stay (article 25-duodecies of the Decree)

- Illegal immigration (article 12, paragraphs 3, 3-bis and 3-ter of It. Legislative Decree of 25 July 1998, No. 286);
- Exploitation of illegal immigration (article 12, paragraph 5 of It. Legislative Decree of 25 July 1998, No. 286);
- Salaried temporary and permanent employment (article 22, paragraph 12-bis of It. Legislative Decree of 25 July 1998, No. 286 - Consolidated Act on Immigration).

Offences of racism and xenophobia (article 25-terdecies of the Decree)

- Propaganda and instigation to commit crimes on grounds of racial, ethnic and religious discrimination pursuant to article 604-bis of the It. Criminal Code.

Transnational crimes (article 10 - It. Law of 16 March 2006, No. 146)

The following crimes represent a basis for administrative liability of the entities if committed transnationally:

- Criminal association (article 416 of the It. Criminal Code);
- mafia-type association, including foreign (article 416-bis of the It. Criminal Code);
- criminal association aimed at smuggling foreign manufactured tobacco (article 291-quater of the consolidated act of It. Presidential Decree of 23 January 1973, No. 43);
- association aimed at the illegal trafficking of narcotic or psychotropic substances (article 74 of the consolidated act as per It. Presidential Decree of 9 October 1990, No. 309);
- provisions against illegal immigration (article 12, paragraphs 3, 3-bis, 3-ter and 5 of the consolidated act of It. Legislative Decree of 25 July 1998, No. 286);
- incitement not to make statements or to make false statements to the judicial authority (article 377-bis of the It. Criminal Code);
- aiding and abetting (article 378 of the It. Criminal Code).

The crimes and administrative offences referred to above may involve the administrative liability of the Entity having its head office in Italy, even if committed abroad.

1.3. PENALTIES LAID DOWN BY THE DECREE

The penalties imposed on the Entities by the Decree are: i) fines, ii) disqualification sanctions, iii) confiscation of the price or profit of the crime, iv) publication of the sentence of conviction.

Fines apply whenever the liability of the legal person is ascertained, and are determined by the criminal court through a «unit»-based system. Specifically, in measuring the fine, the judge determines the number of units taking into account the seriousness of the fact, the level of liability of the entity, as well as the activity carried out to eliminate or mitigate the consequences of the fact and to prevent further offences from being committed; on the other hand, the amount of the unit is set on the basis of the body's economic conditions and assets.

Disqualification sanctions may be applied to some types of crimes and to the most serious cases. These translate as:

- forbidding the company from operating;
- the suspension and revocation of authorisations, licences or concessions fundamental for the commission of the offence;
- the prohibition of contracting with the Public Administration (except to obtain the performance of a public service);
- exclusion from incentives, loans, grants or subsidies and revocation of any already granted;
- the prohibition of advertising goods or services.

Disqualification sanctions do not apply (or are revoked, if already applied as a precautionary measure) if, before the opening statement of the first instance hearing, the Entity has:

- compensated the damage or repaired it;
- eliminated the harmful or dangerous consequences of the crime (or, at least, it has taken steps in this regard);
- handed over the profit of the crime to the Judicial Authority, for confiscation;
- eliminated the organisational deficiencies that led to the crime, implementing organisational models suitable to preventing new crimes from being committed.

Confiscation consists in the State acquiring the price or profit of the crime or in the acquisition of sums of money, goods or other utilities of a value equivalent to the price or profit of the Crime: however, it does not include the part of the price or profit of the Crime that may be returned to the damaged party. Confiscation is always ordered with the conviction judgement.

Publication of the judgement may be ordered when a disqualification sanction is applied to the Entity. This is carried out by putting up notices, in the municipality where the Entity has its main office, and by posting on the website of the Ministry of Justice.

1.4. IMPLEMENTATION OF THE ORGANISATION, MANAGEMENT AND CONTROL

MODEL AS EXEMPTION OF THE ADMINISTRATIVE LIABILITY OF THE ENTITY

The Decree expressly states that the Company cannot be held liable when it has adopted and effectively implemented, before the unlawful act was committed, "*suitable organisation, management and control models to prevent crimes of the type that occurred*," without prejudice to the personal liability of whoever committed the crime.

The lawmaker, therefore, has attributed an exemption value to the company's organisation, management and control models that are suitable for risk prevention, as well as adopted and effectively implemented. The decree also specifies the requirements that the models must fulfil. Notably:

- identify the activities within which the offences covered by the Decree may be committed;
- set up specific protocols aimed at planning the adoption and implementation of the entity's decisions in relation to the crimes to be prevented;
- identify suitable methods of financial resource management to prevent such offences from being committed;
- provide for obligations of information to the Board appointed to supervising the operation of and compliance with the Models;
- introduce a disciplinary system suitable for penalising failure to comply with the measures indicated in the Model.

If the offence is committed by persons who perform functions of representation, administration or management at the entity or one of its organisational units with financial and functional autonomy, as well as by individuals who exercise, even de facto, management and control of said Entity, the Entity shall not be liable if it proves that:

- the governing board adopted and effectively implemented, before the offence was committed, a Model suitable to preventing crimes of the kind that occurred;
- the task of supervising the operation of and compliance with the Model, and updating it, was assigned to a Body of the entity, having independent powers of initiative and control;
- the subjects committed the crime by fraudulently circumventing the Model;
- the Supervisory Board did not fail to nor did it insufficiently perform supervision on compliance with the Model.

If, on the other hand, the crime is committed by individuals under the management or supervision of one of the aforementioned subjects, the legal person shall be liable if it was possible to commit the offence due to non-compliance with management and supervision obligations. In any case, said non-compliance shall not apply if, prior to the offence, the Entity adopted and effectively implemented a Model suitable to preventing crimes of the kind that occurred.

2. FIORENTINI'S ORGANISATION, MANAGEMENT AND CONTROL MODEL

2.1. FIORENTINI'S INTERNAL ORGANISATIONAL STRUCTURE

The Company has a traditional management system with a Board of Directors and a Board of Auditors.

The organisational structure of Fiorentini also consists of **General Management**, two business units, namely "**Value Stream Systems**" and "**Value Stream Components and Services**", with all the functions of an ordinary production process being represented within each. There are also **Staff Functions**, i.e. strategic functions supporting the organisation, that report to the Board of Directors. Among its employees, Fiorentini has appointed a number of **Legal representatives** with special powers in sales and accounts, while financial resources are managed by the Managing Director, by appointing a number of individuals in the accounts function to perform operations on current accounts, according to specific procedures and limits.

There are also External control bodies appointed directly by the Board of Directors. Specifically, these are the Board of Auditors, the Supervisory Body appointed pursuant to It. Legislative Decree No.231/2001, the Auditing Company and the Quality, Safety and Environment Certification Bodies. Lastly, in 2013, the Company set up the Inspection and Legal Metrology Body pursuant to It. Ministerial Decree of the Ministry of Economic Development 75/2012, superseded by Ministerial Decree of 21 April 2017, No. 93 for the execution of periodic audits (carried out solely in Italy) on gas meters and conversion devices according to said decree and standard UNI CEI EN ISO/IEC 17020.

2.2. FIORENTINI'S INTERNAL CONTROL SYSTEM

The BoD is responsible for Fiorentini's internal control system, and it establishes guidelines and periodically assures its adequacy and actual workings, ensuring the company's main risks are identified and managed correctly.

The Company founded its internal control system on the following main elements:

- a) *Code of Ethics*;
- b) *Procedural system*, consisting of procedures, manuals, operating instructions and internal communications which this OMM refers to, aimed at clearly and effectively regulating the significant processes and providing operational procedures and control measures for the performance of corporate activities.

The Company has also obtained numerous certifications, for its management and procedural systems as well as for products or services. These are:

- SOA (compulsory certification for participation in tenders for public contracts);
- ISO 14001 (environmental management system);

- ISO 9001 (quality management system);
- BS OHSAS 18001 (occupational health and safety management system);
- ISO 3834 - 2 (welding activities for the construction of pressure regulators, valves, flow meters, odourisation systems, etc.);
- ISO/IEC 17020 (ODI);
- API SPEC 12J certificate: Licence for application of the API (American Petroleum Institute) monogram on "separator filters";
- API SPEC 12K certificate: Licence for application of the API (American Petroleum Institute) monogram on "indirect heaters";
- API SPEC 6D certificate: Licence for application of the API (American Petroleum Institute) monogram on "ball valves";
- API SPEC 6A certificate: Licence for application of the API (American Petroleum Institute) monogram on "valves (PSL 1 and PSL 2)";
- ASME U STAMP certification: Authorisation to apply the Asme - "U" stamp. Certification for "Pressure Vessels", in accordance with the "ASME Codes";
- ASME U2 STAMP certification: Authorisation to apply the Asme - "U2" stamp. Certification for "Pressure Vessels", in accordance with the "ASME Codes";
- NATIONAL BOARD certification: Authorisation to apply the NB stamp. Certification for the construction and assembly of boilers and pressure vessels, in accordance with the "ASME-U Code".

The Certifications obtained by the Company and relevant updates are published on the company's website, which you should refer to.

2.3. CONSTRUCTION AND SUBSEQUENT UPDATING OF THE FIORENTINI MODEL

The OMM has been prepared and kept up-to-date by the Company's "Legal" department, appointed for this purpose, involving the key owners of the processes and business activities deemed as sensitive. For the latest update, the Company availed itself of the support of a group of external lawyers with expertise in risk management, internal control and criminal law.

The work carried out by the Company for the purpose of preparing and updating this OMM took the requirements set forth in the Decree (article 6, par. 2) into account and, in particular, Fiorentini took care to:

- a) "identify the activities within which the offences may be committed". The Company:
 - identified sensitive sectors/activities/areas, with reference to the Offences referred to in It. Legislative Decree 231/2001, through the analysis of the most important corporate documents (for example: certificate of incorporation, organisational charts, company procedures, main contracts, Risk Assessment Document, etc.);
 - analysed the sensitive sectors/activities/areas, with an assessment of the potential methods and instruments through which it would be possible for the Company, its management bodies, executives and employees and, in general, by the positions covered by article 5 of the Decree to commit the Offences, also through interviews with the positions concerned, such as, for example, the Managers of the purchasing, sales, HR, IT, safety and environmental protection departments.

The interviews, which were also aimed at reinforcing the awareness raising process with respect to the provisions of the Decree, were documented by appropriate records kept at the Company's Legal Department.

- identified existing internal rules and protocols (mostly formalised) with reference to the sensitive sectors/activities/areas identified as being at risk of Crime.

b) "set up specific protocols aimed at planning the adoption and implementation of the body's decisions in relation to the crimes to be prevented".

With regard to this requirement, Protocols of both general and specific nature have been established in the individual Special Sections of the OMM.

c) "identify suitable methods of financial resource management to prevent the offences from being committed".

In relation to this requirement, specific protocols have been established in the Special Section "Management of financial resources" of this OMM.

d) "provide for obligations of information to the Body appointed to supervising the operation of and compliance with the models".

With regard to this requirement, specific information flows have been set up and organised into "Information" and "Reports" as well as reports on "Information flows to the Supervisory Body".

e) "introduce a disciplinary system suitable to penalising failure to comply with the measures indicated in the Model".

With reference to this requirement, the specific penalty system set out below was introduced.

2.4. MAPPING OF SENSITIVE ACTIVITIES

In compliance with the provisions of the Decree and with the methods outlined above, the activities most exposed to the commission of offences have been identified and the potential unlawful situations that might arise have been described, taking into account the current operations of the Company and the existing organisational structure.

For the purposes of defining the protocols, the activities at risk of crime have therefore been rationalised and a series of "sensitive activities" has thus been identified, grouping together activities at risk of crime and the relevant operational processes with common characteristics, and which may therefore have similar control measures.

The main business activities and processes which might currently represent an opportunity or method of carrying out the types of offences governed by the Decree are set out below:

- a) Management of relations with the Public Administration for participation in public tenders through open, closed, negotiated procedures, competitive dialogues, private negotiations, for the supply of goods or services to a Public Administration;
- b) Management of non-conformities relative to contracts awarded following a public call for tenders (e.g. application of penalties for delay) and management of relevant extrajudicial procedures for settlement of the dispute;
- c) Management of relations with the PA for obtaining authorisations, certifications and licences to perform

company activities, in case of inspections, audits and so forth by the Public Administration (e.g. Health authority, Prefecture, Fire Brigade, SPISAL, ISPSEL, Finance Police, Revenue Agency, etc.) or for obtaining ad hoc administrative measures.

- d)** Management of judicial or arbitration proceedings in Arbitration Courts set up for the purpose and relations with Judicial Authorities and Arbitrators;
- e)** Management of relations with the Public Administration for granting loans, mortgages, incentives, funding, etc.
- f)** Management of relations with the Inspection Body (ODI);
- g)** Management of occupational health and safety, at Company production and non-production facilities, external sites (either in Italy or abroad);
- h)** Management of resources during trips outside company headquarters, in Italy and abroad;
- i)** Management of works or supply contracts within company facilities;
- j)** Management of subcontracting, in both public and private sectors.
- k)** Incorporation or investment in companies in Italy and abroad;
- l)** Management of Financial Resources, treasury, payments, including cash (including granting securities or credit facilities to customers, assignment of credit, deductions at source);
- m)** Management of gifts and sponsorships and pocket money;
- n)** Procurement of goods and services: selection and management of relationships with Associates and Vendors and management of the relevant relations;
- o)** Management and use of company IT systems and website;
- p)** Management of remote data reading systems;
- q)** Research and Development, experimentation and design of new products;
- r)** Management of relations with competitors;
- s)** Accounting management, preparation of accounting records and financial statements, tax returns and related payments;
- t)** Management of relations with shareholders and with other external control bodies (such as Auditing companies, Board of Auditors, SB);
- u)** Management of the activities of the shareholders' meetings, holding and recording the minutes of Shareholders' Meetings, transactions on capital and allocation of profits;
- v)** Extraordinary corporate transactions (such as mergers, demergers, subscribing to share capital increases, etc.);
- w)** Selection, recruitment of personnel;
- x)** Management of personnel remuneration and reimbursement of expenses;
- y)** Management of relations with staffing agencies;
- z)** Management of Environmental protection activities (including the company's waste cycle management activities, odorising liquid storage management and its transfer at the customer's site).

2.5. PROTOCOLS OF CONDUCT

Following the risk assessment, the Company examined its existing measures and, following the identified shortcomings, prepared Protocols aimed at preventing cases of Predicate Crimes that might feasibly occur within the Company.

These measures were therefore organised into two levels:

- a) **General principles of control:** applicable to all company activities/processes exposed to the risk of committing the identified Predicate Crimes.
- b) **Specific protocols of conduct for each alleged crime taken into consideration** detailed in the Special Section of this document.

3. SUPERVISORY BOARD

3.1. THE REQUIREMENTS OF THE FIORENTINI SUPERVISORY BOARD

The Company has assigned the task of supervising the workings of and compliance with the Model to the **Supervisory Body**, having the requisites indicated below and aimed at assuring its effective and efficient implementation.

The Company has chosen to use a sole Body.

The SB is appointed by the Board of Directors. Considering that it is essential to maintain the Body's requirement of independence, and as it does not have an internal auditor, the Company has decided that the Supervisory Body should be assisted by a Quality Assurance Department employee, who acts as company contact person of the SB, coordinating the relevant activities in-house.

The Body remains in office for a term of three years and may be re-elected only once.

A member of the Supervisory Body is an individual in possession of the requirements set forth in the Trade Associations' Guidelines, and in particular:

AUTONOMY AND INDEPENDENCE: the Body must remain unaffected by any form of interference and pressure from top management and must not be involved in any way in the performance of operational activities and management-related decisions. The Supervisory Body must not be in conflict of interest and it must not be assigned operational tasks that might undermine its autonomy. A member of the SB does not even have consultancy relationships with the Company.

The requirement of autonomy and independence must also be understood as the absence of family ties and constraints of hierarchical dependency with Fiorentini's top management or with individuals holding operational powers within the company.

The Supervisory Body must report to the highest operational level of the company and it must be able to relate "on equal terms" with said level, being in "staff" position with respect to the Board of Directors.

PROFESSIONALISM: this means possessing the toolbox and techniques required for actually and effectively performing the assigned activity. The professionalism and authority of the Body are also connected to its professional expertise. In this connection, the Company considers it particularly important to carefully examine the CVs of possible candidates, their previous experience, giving preference to those who have acquired specific professional skills in this field.

CONTINUITY OF ACTION: the SB continuously carries out the activities required to supervise the Model with due commitment and with the necessary investigative powers, meeting at least once every quarter.

INTEGRITY: in relation to predicting causes for ineligibility, revocation, suspension or withdrawal from the function of the Supervisory Body as specified below.

The requirements described above must be verified at the time of appointment by the Board of Directors.

3.2. CAUSES FOR INELIGIBILITY, REVOCATION, SUSPENSION AND WITHDRAWAL

In appointing the Supervisory Body, the Company's Board of Directors has expressly taken into account the following causes of **ineligibility**.

The following cannot be elected:

- anyone who has been sentenced, although without final sentence, or with a plea bargain sentence, and even with a conditionally suspended sentence, without prejudice to the effects of rehabilitation, to:
 1. imprisonment for a period of no less than one year for one of the crimes covered by It. Royal Decree of 16 March 1942, No. 267;
 2. a prison sentence for a period of no less than one year for one of the crimes covered by regulations on banking, financial, securities and insurance activities, and by regulations concerning securities markets, payment instruments;
 3. imprisonment for a period of no less than one year for crimes against the public administration, against public confidence, against public property, against the public economy, for tax crimes;
 4. imprisonment for a period of no less than two years for any crime committed with criminal intent;
 5. for one of the offences under Title XI of Book V of the It. Civil Code as amended by It. Legislative Decree of 11 April 2002, No. 61;
 6. for an offence that entails and has entailed a sentence that bans, even temporarily, from holding public offices, or temporary banning of legal persons and companies from executive offices;
 7. for one or more crimes of those strictly set forth by the Decree, even if with lesser sentences than those indicated in the previous points;
- anyone against whom one of the preventive measures set forth in article 10, paragraph 3, of It. law of 31 May 1965, No. 575, as replaced by article 3 of It. law of 19 March 1990, No. 55 as amended, has been enforced;
- anyone against whom the additional administrative penalties set forth in article 187-quater of It. Legislative Decree of 24 February 1998, No. 58 have been enforced.

The member of the Supervisory Body certifies with a declaration in lieu of affidavit that none of the above conditions apply to him/her, expressly undertaking to notifying any changes to the content of said statements. Any revocation of the Body must be decided by the Company's Board of Directors and may only be arranged for reasons connected to serious non-compliance with the appointment, including breaches of the confidentiality obligations stated below, in addition to the causes for revocation set out below.

The Supervisory Body is also **revoked** from office when, after appointment:

- they are convicted with final sentence or plea bargain for one of the crimes indicated in numbers 1, 2, 3, 4, 5, 6 and 7 of the aforementioned ineligibility conditions;

- they have breached the confidentiality obligations strictly connected to performance of the assignment;
- there has been prolonged inactivity presumably due to, for example, the absence of meetings of the SB for at least 12 months;
 - gross negligence in performing duties related to the assignment;
 - permanent conflict of interest;

Revocation is the responsibility of the Board of Directors, which decides by absolute majority of its members, also on the recommendation of the chairman or other director.

The Supervisory Body is also **suspended** from performing its functions in the following events:

- conviction with interlocutory judgement for one of the offences indicated in numbers 1 to 7 of the aforementioned ineligibility conditions;
- application upon request by the parties of one of the penalties referred to in numbers 1 to 7 of the aforementioned ineligibility conditions;
- application of a personal precautionary measure;
- provisional application of one of the preventive measures set forth in article 10, paragraph 3, of It. law of 31 May 1965, No. 575, as superseded by article 3 of It. law of 19 March 1990, No. 55 as amended.

The remuneration of the Body is determined by the Board of Directors at the time of appointment, for the entire duration of the office.

3.3. DUTIES OF THE SUPERVISORY BOARD

To perform its duties, the Board of Directors assigns an annual expenditure budget to the Supervisory Body. However, the Supervisory Body may autonomously use resources in excess of their spending powers, should using them be necessary to deal with exceptional and urgent situations. In these cases, the Body must inform the Board of Directors without delay.

To perform the duties assigned to it, the Supervisory Body avails itself of all company departments.

The Supervisory Board performs the following activities:

- supervises the working of and compliance with the Code of Ethics and the Model;
- reports to the Board of Directors on any updates and upgrades to the Model in compliance with changes in the law and jurisprudence, as well as a result of changes in the company organisation;
- monitors the correct performance of supervisory activities for each area at risk, promptly reporting anomalies and dysfunctions of the Model, after liaising with the areas/departments concerned.

3.4. REPORTING ACTIVITY OF THE SUPERVISORY BOARD

In order to ensure its full autonomy and independence in carrying out its functions, the Supervisory Body reports directly to Fiorentini's Board of Directors on the implementation of the Model and the occurrence of any critical issues, through two reporting lines:

1. one, on an **ongoing** basis directly to the Managing Director;
2. the second one is carried out **annually**, through a written report to the Board of Directors and the Board of Auditors, which must accurately describe the activities carried out during the year, in terms of checks carried out and results obtained, as well as any need to update the Model.

Every year the Supervisory Board shall also prepare a plan of activities scheduled for the following year, identifying the checks that need to be carried out, in addition to the time-frames and the priority of the activities.

However, within the context of sensitive company activities and whenever it is deemed necessary for the performance of its functions, the Supervisory Body may carry out checks outside of the activity plan (so-called "surprise checks").

The Supervisory Body may request to be heard by the Board of Directors whenever it deems it appropriate to interact with said body; likewise, the Body is granted the option to request clarifications and information from the Board of Directors.

On the other hand, the Supervisory Body may be convened at any time by the Board of Directors to report on particular events or situations pertaining to the operation of and compliance with the Model. Minutes must be taken at the aforementioned meetings and a copy of said minutes must be kept by the SB (as well as by the bodies concerned in each case).

3.5. INFORMATION FLOWS TOWARDS THE SUPERVISORY BOARD

The SB is the recipient of any information, documentation and/or communication, also from third parties, concerning compliance with the Model.

All Recipients of this Model are required to report information to the Supervisory Body, following:

- i) **information;**
- ii) **reports;**

The Supervisory Body assures the **utmost confidentiality** with regard to any news, information, report, **under penalty of revocation of the appointment and the disciplinary measures defined below**, without prejudice to requirements concerning the investigations should the support by consultants external to the SB or other corporate structures be necessary.

Any information and report referred to in this Model is kept by the Supervisory Body in an appropriate electronic and paper archive, in compliance with the provisions set forth in the regulations regarding data confidentiality, as in force at the time. In particular, the records of the Supervisory Body must be kept at the offices of the Company and contained in separate and closed cabinets, accessible only to its members and for the sole reason of performing the aforementioned tasks, under penalty of immediate revocation from office.

i) Information

The following must be mandatorily sent to the Supervisory Body:

- information on visits, inspections and investigations initiated by the competent bodies (ASL, ARPA, etc.) and, on their conclusion, any findings and applied penalties;
- requests for legal assistance made by individuals within the Company, in the event of initiation of a judicial proceeding for one of the offences covered by the Decree;
- periodically, news relating to the effective implementation of the OMM in all areas/company departments at risk;
- information on the evolution of activities relating to Sensitive Activities;
- the system of mandates and powers of attorney implemented by the Company.

The information flows must reach the SB in the manners and to the addresses indicated above.

ii) Reports

All Recipients are required to promptly report to the Supervisory Board any **exception, infringement or suspected infringement** to their knowledge of the **rules of conduct set forth by the Company's OMM and/or Code of Ethics**, of the principles of conduct and executive procedures for conducting Sensitive Activities regulated in the **OMM**, as well as the commission, even attempted, of one of the offences set forth in It. Legislative Decree 231/2001.

Reports may be sent, also anonymously, by surface mail to the address:

Organismo di Vigilanza (Supervisory Body) di Pietro Fiorentini S.p.A.

8/10, Via E. Fermi - 36057 Arcugnano (VI) Italy

or by email to:

organismodivigilanza231@fiorentini.com

Further and as an additional reporting channel, at the various production areas and offices of the local Fiorentini facilities/units, the Company has also set up an appropriate

box labelled “Organismo di Vigilanza (Supervisory Body) of Legislative Decree 231/2001”

where it is possible to deposit the reports in question in a packet or in a closed envelope. The box is accessible by a person appointed for this purpose, who transmits the reports to the SB.

The Supervisory Body assesses all the reports received and takes the subsequent steps at its reasonable discretion and responsibility within the scope of its powers, possibly speaking to the author of the report and the person responsible for the alleged infringement. Any subsequent decision shall be substantiated; any consequent measures shall be applied in compliance with the provisions in the chapter on the Penalty System.

Moreover, as regards the predicate crimes in the field of occupational health and safety, the Company has set up a report box (one for each site, department or in easily accessible areas) called **“Aiutiamoci a fare prevenzione/Let's help ourselves work for prevention”** so that all employees

are able to report alleged breaches of occupational health and safety regulations, regardless of whether they constitute a crime.

Except for events that require prompt and immediate action, the Workers' safety representatives (RLS) are in charge of collecting the various reports every 15 days and examining them with the H&SM who, within a short time, provides all employees with proof of the response and, if necessary, plans the corrective action. The reports and their responses are reported quarterly (through a specific report prepared by the H&SM) to the Supervisory Body.

3.6. WHISTLEBLOWING AND THE PROTECTION OF THE REPORTER

The reports of the previous paragraph and, in general, all circumstantiated reports of unlawful conduct that is of interest pursuant to the Decree and founded on precise and agreed elements of fact, or violations (even presumed) of the OMM, shall take place under the provisions of the law on *whistleblowing*, with particular regard to the protection of the reporter.

Specifically and in compliance with the provisions of art. 6, paragraphs 2-bis et seq. of the Decree, the reports are handled in such a way as to protect **their authors from any form of retaliation, discrimination or penalisation, direct or indirect, or from any consequence thereof, ensuring confidentiality with regard to their identity.**

The adoption of discriminatory measures against the persons who make such reports may be reported to the National Labour Inspectorate for measures within its competence, not just by the reporter but also by the trade union.

It is pointed out, in compliance with the applicable provisions, that the retaliatory or discriminatory dismissal of the reporter shall be null and void.

Any changes in tasks, as well as any other retaliatory or discriminatory measures against the reporter, shall also be null and void. It shall be the duty of the employer, in case of disputes linked to the imposition of disciplinary sanctions, or demotion, dismissal, transfer, or subjection of the reporter to any other organisational measures with direct or indirect negative effects on their working conditions, subsequent to the presentation of the report, to prove that such measures are founded on grounds other than the report itself.

As will be better explained below, the Company has made provisions for the application of the disciplinary sanctions of paragraphs 5.2, 5.3, 5.4 also:

- against those who violate the measures aimed at protecting the reporter of art. 6 paragraphs 2-bis et seq. introduced by It. Law no. 179/2017, as well as
- against whoever, with gross negligence or serious misconduct, makes reports that are proved to be unfounded.

4. KNOWLEDGE OF AND TRAINING ON THE OMM

4.1. GENERAL PROVISIONS

The Company ensures that everyone working for Fiorentini has correct and complete knowledge of the OMM, of the content of the Decree and of the obligations arising therefrom.

Training sessions shall be organised over time by the Company, based on criteria of obligation and re-iteration, as well as any criteria of diversification.

Training and information is managed by the Human Resources Department with the Legal Department and the Assurance and Quality Department, in close coordination with the managers of the areas/functions involved in applying the Model.

4.2. INITIAL COMMUNICATION

Communication to the Board of Directors: with a resolution on implementation and updating of the OMM, each member of the Board expressly and personally undertakes to comply with the provisions contained therein. Any directors who, due to replacements or renewals, have not participated in the approval and/or update meeting, shall sign a statement of knowledge and adherence to the contents of the same, which is then filed in the SB book.

The OMM shall be **communicated to all resources**.

To this end, all Employees shall receive a copy of the OMM through its publication in the reserved area of the HR management system used by the Company.

The OMM will also be published on the Company's shared drive, also in English, and will be posted in the company boxes of all production areas and of the offices of each facility. New hires are given an information set containing the OMM and the Code of Ethics which ensures they are familiar with what is considered to be of primary importance.

All subsequent changes and information concerning the OMM shall be notified to the company resources.

The OMM will also be published in an abridged version, in Italian and English, on the company website (www.fiorentini.com).

4.3. PERSONNEL TRAINING

Participation in training activities aimed at spreading knowledge on the regulations referred to in the Decree, the OMM and the Code of Ethics is considered **mandatory**.

Training may also be provided through an e-learning system. Classroom training sessions shall be organised for those who do not have access to a company PC.

Training shall take into account, in the content and methods of teaching the relevant courses, the qualification of the Recipients, the level of risk in the area they operate in and the assignment or otherwise of representation functions in the field.

The unjustified absence from training sessions is considered a disciplinary offence, according to the provisions of the Penalty System set out below.

Pietro Fiorentini implements training courses, according to a modular approach, that illustrate:

- the regulatory framework;
- the Code of Ethics and the OMM implemented by the Company, including the Special Sections;
- the role of the SB and the tasks it is assigned by the Company.

Training courses shall be organised every time a change is made to the OMM aimed at updating knowledge on the content of the OMM and the Code of Ethics.

At the end of each training session, the signatures of all the participants shall be collected on a special form to be filed in the SB Log.

The Supervisory Body ensures that the training programs are qualitatively adequate and effectively carried out.

4.4. INFORMATION TO CONSULTANTS, ASSOCIATES AND VENDORS

The Company requires Consultants, Associates and Vendors to know and comply with the Model through specific contractual clauses. In particular, Associates, Vendors and Consultants are provided with all necessary information on the policies and procedures implemented on the basis of this OMM, and are asked to view the extract of Fiorentini's OMM and Code of Ethics published on Fiorentini's website, that the specific contracts expressly refer to.

5. PENALTY AND DISCIPLINARY SYSTEM

5.1. GENERAL PROFILES

Setting up a disciplinary system that is suitable for penalising the failure to comply with the rules set forth in the Model is the condition required by the Decree to relieve the Bodies of administrative liability, and to guarantee the effectiveness of the Model.

Said system is aimed at penalising the failure to comply with the principles and obligations of conduct set forth in this Model. Disciplinary sanctions for breaching the principles and rules of conduct indicated in the Model are applied regardless of possible initiation of criminal proceedings and of the outcome of the ensuing judgement, for committing one of the unlawful acts covered by the Legislative Decree.

When the SB is notified of the breach of the Model, an ascertainment procedure is initiated in compliance with the provisions of the worker's National Labour Collective Agreement. This ascertainment procedure is carried out by the SB itself, in coordination with the corporate bodies responsible for the application of the disciplinary sanctions, taking into account the severity of the conduct, any recurrence of the breach or the degree of culpability.

Through the organs and functions specifically responsible for this purpose, Pietro Fiorentini shall then apply, with consistency, impartiality and uniformity, sanctions proportionate to the respective breaches of the Model and compliant with the current provisions on labour relations; the sanctioning measures for the various professional figures are indicated below.

5.2. MEASURES FOR FAILURE TO COMPLY BY EMPLOYEES

The conduct by employees in breach of the single rules of conduct set out in this Model, in the Code of Ethics, in the corporate rules and protocols adopted by the Company are considered disciplinary offences.

The sanctions that apply to employees are implemented in compliance with the procedures established by the applicable regulation.

Express reference is made to the categories of punishable acts according to the existing penalty system, and that is to say the contractual provisions set forth in the **Metalworking And Mechanical Engineering Industry National Labour Collective Agreement** (hereinafter CCNL).

The following disciplinary actions shall be taken in application of the principle of proportionality, according to the severity of the committed breach.

VERBAL OR WRITTEN WARNING: shall be applied to minor cases of failing to comply with the principles of the Code and the rules of conduct set forth in this Model, with said conduct relating to a **minor failure** to comply with the contractual rules or directives and instructions given by management or supervisors.

FINE NOT EXCEEDING THREE HOURS OF HOURLY WAGES CALCULATED ON THE MINIMUM SALARY: shall be applied to failure to comply with the principles of the Code and the rules of conduct set forth in this Model, for conduct that is **not compliant or not adequate**, to an extent that is more

than minor but less than serious, with said conduct relating to non serious non-compliance with the contractual rules or directives and instructions given by management or supervisors.

SUSPENSION FROM WORK AND FROM WAGES UP TO A MAXIMUM OF THREE DAYS: this applies to failure to comply with the principles of the Code and the rules of conduct set forth in this Model, for conduct that is **non compliant with or not adequate** to the rules of the Model to an extent that is considered quite serious, although it depends on recurring conduct. These conducts include infringement of the obligations to inform the Body when offences are committed, including attempted offences, as well as any breach of the Model. The same penalty shall be applied in case of repeated unjustified failure to take part (physically or in any manner requested by the Company) in training sessions provided from time to time by the Company in relation to It. Legislative Decree 231/2001, to the Organisation, Management and Control Model and to the Code of Ethics adopted by the Company or related issues.

DISMISSAL WITH NOTICE: this applies to serious and/or repeated breach of the rules of conduct and rules contained in the Model, which are not in contrast with the law and the contractual provisions.

DISMISSAL WITHOUT NOTICE: shall be applied when an individual **wilfully carries out conduct in breach of the requirements** of this Model which, **albeit it is only liable to give rise to one of the punishable offences** under the Decree, **impairs the element of trust** that characterises the employment relationship, namely it is serious to the point of making it impossible to continue, not even temporarily.

The following intentional conducts fall under the breaches punishable by the aforementioned penalty:

- the misappropriation or destruction of documents;
- the preparation of incomplete or untruthful documents;
- the failure to prepare the documentation required by the model;
- the breach or circumvention of the control system set forth by the Model in any manner, including hindering checks, impeding access to information and documentation to the individuals in charge of checks or decision-making.

5.3. PENALTIES IMPOSED ON EXECUTIVES

Executives breaching the principles and rules of conduct contained in this Model, namely carrying out **conduct that does not comply with the aforementioned rules**, shall be subject to modulated disciplinary measures according to the severity of the breach. In the most serious cases, the employment relationship shall be terminated, in consideration of the special bond of trust between executive and employer.

The following are also examples of disciplinary offences:

- managerial staff's lack of vigilance on the correct application of the rules set forth by the Model by hierarchically subordinate workers;
- infringement of the obligations to inform the Supervisory Body when significant offences are committed or attempted;

- breach of the rules of conduct contained therein by the executives themselves;
- adopting conduct, when performing one's respective duties, that does not conform to the reasonably expected conduct of an executive, in relation to their position and recognised level of power.

5.4. PENALTIES IMPOSED ON MEMBERS OF THE BOARD OF DIRECTORS AND OF THE BOARD OF AUDITORS

With regard to the members of the Board of Directors who have committed a breach of this Model, the Board of Directors, promptly informed by the Supervisory Board, may apply every appropriate measure permitted by law, including the following penalties, determined according to the severity of the breach and culpability, as well as the ensuing consequences:

- formal written warning;
- fine equal to an amount between two to five times the monthly remuneration;
- total or partial revocation of any powers of attorney.

In the event of breaches with just cause for revocation, the Board of Directors shall put forth at the Shareholders' Meeting the implementation of the relevant measures and shall fulfil any additional obligations set forth by the law.

In the event of breach by a member of the Board of Auditors, the Supervisory Body must immediately inform the Chairman of the Board of Directors with a written report. In the event of breaches with just cause for revocation, the Chairman of the Board of Directors shall convene the Shareholders' Meeting having previously forwarded the Supervisory Body's report to the shareholders. The Shareholders' meeting shall nevertheless be responsible for implementing the measure ensuing from the aforementioned breach.

5.5. MEASURES FOR FAILURE TO COMPLY BY NON-EMPLOYEES

Any breach of the requirements of the Model by Consultants, Associates, Vendors and whoever is, from time to time, included among the "Recipients" of said Model, is punished by the competent bodies according to internal company rules, as set forth in the clauses of the relevant contracts, and in any case with the application of conventional penalties, which may also include automatic termination of the contract, without prejudice to compensation for damages.

5.6. PENALTIES FOR BREACHING THE MEASURES FOR PROTECTION OF THE REPORTER AND ANYONE MAKING UNFOUNDED REPORTS WITH MALICIOUS INTENT OR GROSS NEGLIGENCE

The sanctions of paragraph 5.2, 5.3, 5.4 are applied, according to the severity of the act, also:

- against those who violate the measures aimed at protecting the reporter of art. 6 paragraphs 2-bis et seq. introduced by It. Law no. 179/2017, as well as
- against whoever, with gross negligence or serious misconduct, makes reports that are proved to be unfounded.

6. DISSEMINATING THE OMM WITHIN THE GROUP

Fiorentini Group consists of companies incorporated under Italian and foreign law, controlled directly or indirectly by Fiorentini or associated with it.

In compliance with Confindustria's "Guidelines for the Construction of the Organisation, Management and Control Models", the Company deems it appropriate to encourage the knowledge of the principles of the OMM by all Group companies. This initiative arises not only from a need to protect the Company, but also to raise awareness among everyone working in the Group in relation to 231 issues.

6.1. SUBSIDIARIES UNDER ITALIAN LAW

6.1.1. IMPLEMENTATION OF MODEL 231

Fiorentini encourages the Italian subsidiaries to implement their own Organisation and Management Models independently and separately from the Parent Company Pietro Fiorentini SpA, as they are individual recipients of the provisions of It. Legislative Decree 231/2001. The evaluation, assessment and preparation and review of their own organisational Model may also be carried out with the support of the competent departments of the Parent Company.

In any case, each subsidiary must align with the standards and general principles implemented by the parent company in the OMM, nevertheless taking into account the specific features of the company and its sector. The Company's OMM, therefore, may represent a valid point of reference for preparation and implementation of its own 231 model.

The subsidiaries must notify the parent company of the completed implementation of the model, any updates and infringements, through official notifications sent to Fiorentini's Legal Department and, in carbon copy, to the Chairman of Fiorentini's Board of Directors.

6.1.2. IMPLEMENTATION OF THE CODE OF ETHICS

Since these are general principles, provided as guiding criteria, Fiorentini subsidiaries under Italian law implement Fiorentini's Code of Ethics through a resolution of the Board of Directors, making any changes or amendments deemed appropriate.

6.1.3. SB

Each subsidiary appoints its own SB, which is different and separate from that of the parent company, also in the selection of the individual members (in case of collective SB).

The constant exchange of information between Fiorentini's Supervisory Body and the Supervisory Bodies appointed by the Group's subsidiaries is advisable, with particular reference to the state of implementation of the model of each company, and to significant events that have affected inter-group activities.

Periodic meetings between the Group's Supervisory Bodies must be held at least once a year.

Any corrective actions on the models of the subsidiaries, also following any checks, nevertheless are and remain under the sole responsibility of the subsidiaries.

6.2. ASSOCIATED COMPANIES UNDER ITALIAN LAW

The Company endeavours to ensure the associated Italian companies implement an Organisation and Management Model which is as consistent as possible with the principles and contents of Fiorentini's OMM. For this purpose, Fiorentini is willing to place its OMM and Code of Ethics at the disposal of its associated companies so that they may base their 231-related choices on it.

Fiorentini's SB liaises with the SBs of the associated companies through the exchange of information deemed useful for the purposes of Group protection and, if deemed appropriate, by scheduling multi-year meetings.

6.3. SUBSIDIARIES UNDER FOREIGN LAW

Given the increasing presence of Fiorentini Group in a number of foreign countries and for the purpose of assuring strict compliance with national and international standards and applicable regulations in conducting their business, Fiorentini encourages its foreign subsidiaries to adopt guidelines of conduct that incorporate the general principles and control procedures set forth in Fiorentini's Organisation, Management and Control Model (pursuant to It. Legislative Decree 231/2001). In particular, this activity concerns certain "Predicate" offences with bribery being the main one, towards both public and private entities, in compliance with local legislation and the different cultural, political, social and economic settings.

SPECIAL SECTION

OMISSIS