

DE NORA ITALY S.R.L.

Organisation,
Management and Control Model
pursuant to Italian Legislative Decree no. 231/2001

Document	Organisation, Management and Control Model		
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GENERAL SECTION

CHAPTER 1

INTRODUCTION

Corporate liability regime

With the approval of Italian Legislative Decree no. 231 of 8 June 2001 (hereinafter, for simplicity, the Decree), entitled “*Rules on corporate liability of legal persons, companies and associations even without legal personality*” a complex and innovative sanction system was introduced into the Italian legal framework, identifying forms of liability of an administrative nature for Entities¹ as a consequence of the commission of a number of crimes. This is on the condition that the crime is implemented in the interest or to the advantage of the Entity itself and that the perpetrators of the said crime are:

- 1) persons who, in the Entity's organisational structure, cover a "senior" position (namely, in accordance with Art. 5, paragraph 1, “*persons who cover roles of representation, administration or management of the entity or of one of its organisational units having financial and functional autonomy, as well as persons who exercise, also de facto, management and control of the same*);
- 2) “*persons subject to management or supervision*” of the latter.

This concerns liability that the legislator defines as “administrative” but which, in actual fact, has strong similarities to criminal liability. In fact, it arises by virtue of and as a consequence of the commission of a crime (and not an administrative offence); it is ascertained in criminal proceedings; the sanction measure is always a jurisdictional act (for example: a judgement); and, above all, it is autonomous with respect to the liability of the natural person who committed the crime. Hence, in accordance with Art. 8 of the Decree, the Entity may be declared liable even if the natural person who committed the crime cannot be indicted, has not been identified, or if the crime has expired for a reason other than a formal pardon.

In order for the Entity's liability to exist, the crime committed must be attributable to it on a material level and must also constitute the manifestation of an express will or at least derive from the fault of the organisation, thereby meaning a failure to adopt the necessary controls to avoid the commission of the crime itself or the adoption of insufficient controls.

Vice versa, the Entity's liability is expressly excluded if the perpetrator of the violation acted in his/her exclusive interest or that of third parties.

At the date of drawing up this Model, the crimes susceptible to determining corporate liability are the following:

- **crimes against the public administration:** misuse of money in detriment to the State (Art. 316 bis of the Italian Criminal Code); undue receipt of payments in detriment to the State (Art. 316 ter of the Italian Criminal Code); fraud in detriment to the State or another public entity or the European Union (Art. 640, paragraph 2 of the Italian Criminal Code); aggravated fraud to obtain public funds (Art. 640 bis of the Italian Criminal Code); cyber fraud (640 ter of the Italian Criminal Code); corruption in carrying out duties or through

¹ In accordance with Italian Legislative Decree 231/2001 “Entities” are intended as:

- entities having legal personality, such as joint stock companies, limited liability companies, partnerships limited by shares, cooperatives, recognised associations, foundations, other financial public and private entities;
- entities not having legal personality, such as general partnerships, limited partnerships, even irregular, unrecognised associations.

- actions contrary to official duties (Articles 318, 319, 319 bis and 321 of the Italian Criminal Code); corruption of a public servant (Art. 320 of the Italian Criminal Code); corruption in judicial deeds (Art. 319 ter of the Italian Criminal Code); undue inducement to give or promise utilities (Art. 319 quater of the Italian Criminal Code); instigation to corruption (Art. 322 of the Italian Criminal Code); misappropriation (Art. 317 of the Italian Criminal Code); embezzlement, misappropriation, undue inducement to give or promise utilities, corruption and instigation to corruption of members of the International Criminal Court or the bodies of the European Communities and officials of the European Communities and foreign states (Art. 322 bis of the Italian Criminal Code), trafficking of illegal influences (Art. 346-bis of the Italian Criminal Code); abuse of office (Art. 323 of the Italian Criminal Code);²
- **cyber crimes and illegal data processing:** forgery of electronic documents (Art. 491 bis of the Italian Criminal Code); unauthorised access to a computer or electronic system (Art. 615 ter of the Italian Criminal Code); unauthorised possession and dissemination of access codes to computer or electronic systems (Art. 615 quater of the Italian Criminal Code); dissemination of equipment, devices or computer programs aimed at damaging or interrupting a computer or electronic system (Art. 615 quinquies of the Italian Criminal Code); interception, impediment or illegal interruption of computer or electronic communications (Art. 617 quater of the Italian Criminal Code); installation of equipment aimed at intercepting, impeding or interrupting computer or electronic communications (Art. 67 quinquies of the Italian Criminal Code); damage of information, data and computer programs (Art. 635 bis of the Italian Criminal Code); damage of information, data and IT programs used by the State or by another public entity or in any case of public utility (Art. 635 ter of the Italian Criminal Code); damage of computer or electronic systems (Art. 635 quater of the Italian Criminal Code); damage of computer and electronic systems of public utility (Art. 635 quinquies of the Italian Criminal Code);³
 - **organised crimes:** criminal association (Art. 416 of the Italian Criminal Code); criminal association of mafia nature, even foreign (Art. 416 bis of the Italian Criminal Code);⁴
 - **crimes against public faith:** forgery of money, spending and introduction into the State, acting in concert, of counterfeit money (Art. 453 of the Italian Criminal Code); alteration of money (Art. 454 of the Italian Criminal Code); spending and introduction into the State, not in concert, of counterfeit money (Art. 455 of the Italian Criminal Code); spending of counterfeit money received in good faith (Art. 457 of the Italian Criminal Code); falsification of revenue stamps, introduction into the State, purchase, possession or placement in circulation of falsified revenue stamps (Art. 459 of the Italian Criminal Code); counterfeiting, alteration or use of trademarks or logos or patents, models and designs (Art. 473 of the Italian Criminal Code); introduction into the State and trade of products with false signs (Art. 474 of the Italian Criminal Code)⁵
 - **crimes against trade and industry:** disruption of the freedom of trade and industry (Art. 513 of the Italian Criminal Code); illegal competition with threats or violence (Art. 513 bis of the Italian Criminal Code); fraud against national industries (Art. 514 of the Italian Criminal Code); fraud in the exercise of trade (Art. 515 of the Italian Criminal Code); sale of non-genuine foodstuffs as genuine (Art. 516 of the Italian Criminal Code); sale of industrial products with false signs (Art. 517 of the Italian Criminal Code); manufacture and trade of

² Cf. Articles 24 and 25 of Italian Legislative Decree no. 231 of 2001.

³ Cf. Art. 24 bis of Italian Legislative Decree no. 231 of 2001, inserted by Art. 7 of Italian Law no. 48 of 18.03.2008.

⁴ Cf. Art. 24 ter of Italian Legislative Decree no. 231 of 2001, inserted by Art. 2, paragraph 29 of Italian Law no. 94 of 15.07.2009.

⁵ Cf. Art. 25 bis of Italian Legislative Decree no. 231 of 2001, as amended most recently by Italian Law no. 99 of 23.07.2009.

- goods created usurping industrial property rights (Art. 517 ter of the Italian Criminal Code); counterfeiting of geographical indications or denominations of origin of agri-food products (Art. 517 quater of the Italian Criminal Code)⁶;
- **corporate crimes:** false corporate communications (Art. 2621 and 2622 of the Italian Civil Code); impeded control (Art. 2625 of the Italian Civil Code); fictitious formation of capital (Art. 2632 of the Italian Civil Code); undue return of contributions (Art. 2626 of the Italian Civil Code); illegal allocation of profits and reserves (Art. 2627 of the Italian Civil Code); illegal transactions on company stocks or shares or those of the parent company (Art. 2628 of the Italian Civil Code); operations in prejudice to creditors (Art. 2629 of the Italian Civil Code); undue allocation of company assets by liquidators (Art. 2633 of the Italian Civil Code); corruption among private entities (Art. 2635 of the Italian Civil Code); instigation to corruption among private entities (Art. 2635-bis of the Italian Criminal Code); unlawful influence on the shareholders' meeting (Art. 2636 of the Italian Civil Code)⁷;
 - **crimes against the individual** : illegal intermediation and exploitation of labour (Art. 603-bis of the Italian Criminal Code)⁸;
 - **crimes in relation to workplace safety:** manslaughter (Art. 589 of the Italian Criminal Code); Serious Personal Injury or Grievous Bodily Harm (Art. 590, second paragraph of the Italian Criminal Code), if committed in violation of the rules on workplace health and safety⁹;
 - **crimes in relation to receiving, laundering and self-laundering:** receiving (Art. 648 of the Italian Criminal Code); laundering (Art. 648 bis of the Italian Criminal Code); reuse of cash, assets or utilities of illegal origin (Art. 648 ter); self-laundering (Art. 648 ter1 of the Italian Criminal Code)¹⁰;
 - **crimes in relation to infringement of copyright:** envisaged respectively by Articles 171, 171 bis, 171 ter, 171 septies and 171 opties of Italian Law no. 633 of 22.04.1941¹¹;
 - **crimes of incitement to not testify or to bear false testimony before the Judicial Authorities:** Art. 377 bis of the Italian Criminal Code¹²;
 - **environmental crimes:** environmental pollution (Art. 452 bis of the Italian Criminal Code); environmental disaster (Art. 452 quater of the Italian Criminal Code); unintentional crimes against the environment (Art. 452 quinquies of the Italian Criminal Code); crimes of association for the purpose of committing environmental crimes (Art. 452 octies of the Italian Criminal Code); unauthorised waste management activity (Art. 256 of Italian Legislative Decree 152/2006); failure to reclaim sites (Art. 257 of Italian Legislative Decree 152/2006); violation of obligations to communicate and keep mandatory records and forms (Art. 258 of Italian Legislative Decree 152/2006); illegal waste trafficking (Art. 259 of Italian Legislative Decree 152/2006); organised activities for the illegal trafficking of waste (Art. 260 of Italian

⁶ Cf. Art. 25bis 1 of Italian Legislative Decree no. 231 of 2001, inserted by Art. 15, paragraph 7, letter b) of Italian Law no. 99 of 23.07.2009.

⁷ Cf. Art. 25ter of Italian Legislative Decree no. 231 of 2001, as amended by Art. 6, paragraph 1 of Italian Legislative Decree no. 38 of 15.03.2017

⁸ Cf. Art. 25 quinquies of Italian Legislative Decree no. 231 of 2001, as amended most recently by Art. 6, paragraph 1 of Italian Law no. 199 of 29.10.2016.

⁹ Cf. Art. 25 septies of Italian Legislative Decree no. 231 of 2001, as amended most recently by Art. 300 of Italian Legislative Decree no. 81 of 9.04.2008

¹⁰ Cf. Art. 25 octies of Italian Legislative Decree no. 231 of 2001, as amended most recently by Art. 5 of Italian Legislative Decree no. 90 of 25.05.2017

¹¹ Cf. Art. 25 nonies of Italian Legislative Decree no. 231 of 2001, inserted by Art. 15, paragraph 7 of Italian Law no. 99 of 23.07.2009.

¹² Cf. Art. 25 decies of Italian Legislative Decree no. 231 of 2001, inserted by Art. 4 of Italian Law no. 116 of 3.08.2009

- Legislative Decree 152/2006); rules in relation to protection of the air and reduction of atmospheric emissions - sanctions (Art. 279 of Italian Legislative Decree 152/2006);¹³
- **crimes in relation to illegal immigration:** Art. 12, paragraph 3 and Art. 22, paragraph 12 bis of Italian Legislative Decree no. 286 of 25.07.1998¹⁴,
 - **tax crimes:** fraudulent declaration using invoices or other documents for non-existent transactions (Art. 2 of Italian Legislative Decree no. 74/2000); fraudulent declaration by means of other deception (Art. 3 of Italian Legislative Decree no. 74/2000); issuance of invoices or other documents for non-existent transactions (Art. 8 of Italian Legislative Decree no. 74/2000); concealment or destruction of accounting documents (Art. 10 of Italian Legislative Decree no. 74/2000); fraudulent evasion of tax payments (Art. 11 of Italian Legislative Decree no. 74/2000); false tax declaration (Art. 4 of Italian Legislative Decree no. 74/2000); failure to declare (Art. 5 of Italian Legislative Decree no. 74/2000); unlawful compensation (Art. 10 quater of Italian Legislative Decree no. 74/2000)¹⁵.
 - **smuggling:** smuggling in the movement of goods across land borders and customs areas (Art. 282 of Italian Presidential Decree no. 73/1943); smuggling in the movement of goods in border lakes (Art. 283 Italian Presidential Decree no. 73/1943); smuggling in the maritime movement of goods (Art. 248 Italian Presidential Decree no. 73/1943); smuggling in the movement of goods by air (Art. 285 Italian Presidential Decree no. 73/1943); smuggling in non-customs areas (Art. 286 Italian Presidential Decree no. 73/1943); smuggling for undue use of goods imported with customs duty concessions (Art. 287 Italian Presidential Decree no. 73/1943); smuggling in customs deposits (Art. 288 Italian Presidential Decree no. 73/1943); smuggling in cabotage and in circulation (Art. 290 Italian Presidential Decree no. 73/1943); smuggling in the export of goods eligible for return of duties (Art. 290 Italian Presidential Decree no. 73/1943); smuggling in temporary import or export (Art. 291 Italian Presidential Decree no. 73/1943); smuggling of foreign produced tobacco (Art. 291-bis Italian Presidential Decree no. 73/1943); criminal conspiracy to smuggle of foreign produced tobacco (Art. 291-ter Italian Presidential Decree no. 73/1943); criminal conspiracy to smuggle tobacco (Art. 291-quater Italian Presidential Decree no. 73/1943); other cases of smuggling (Art. 292 Italian Presidential Decree no. 73/1943); criminal conspiracy to smuggle (Art. 295 Italian Presidential Decree no. 73/1943).¹⁶

The list of crimes indicated in Articles 24 et seq. of the Decree is not to be considered definitive it may be subsequently modified, also based upon the continuous adjustment of domestic legislation in line with international legislation and, in this circumstance, EU legislation.

The sanctions envisaged for cases in which the Entity's liability is ascertained are particularly rigorous. Financial penalties and/or bans are applied (the latter identified by Art. 9 of the Decree as a ban from exercising the activity, suspension or revocation of authorisations functional to the commission of the crime, prohibition on contracting with the Public Administration, exclusion from subsidies, funding, contributions or grants with the possibility of revoking those already granted and

¹³ Cf. Art. 25 undecies of Italian Legislative Decree no. 231 of 2001, as amended most recently by Art. 1 of Italian Law no. 68 of 22.05.2015

¹⁴ Cf. Art. 25 duodecies of Italian Legislative Decree no. 231 of 2001, as amended most recently by Art. 39, paragraph 4 of Italian Law no. 161 of 17.10.2017.

¹⁵ Cf. Art. 25 quinquiesdecies of Italian Legislative Decree 231 of 2001, inserted by Law no. 157/2019.

¹⁶ Cf. Art. 25 sexesdecies of Italian Legislative Decree 231 of 2001, inserted by Italian Law no. 75/2020; at present, these circumstances are considered to have little impact on the company situation.

a ban on advertising goods or services), as well as confiscation of the price or profit of the crime and publication of the conviction ruling.

The financial penalty is determined by the criminal court through a system based upon "shares" in an amount not less than one hundred and not more than one thousand (the amount of each share may vary from a minimum of €258 to a maximum of €1,549). Conversely, the court determines the type and duration of the ban taking account of the suitability of the individual penalties to prevent crimes of the nature of that which was committed and, if necessary, may apply them jointly.

The sanctions (financial penalties and bans) may also apply, albeit in reduced form (with regard to their amount and duration), in relation to the commission of crimes in the form of an attempt, except where the Entity has voluntarily prevented the completion of the action or implementation of the act: in such cases, the Entity may be immune from any consequence.

During the criminal proceedings, the judge may then order, by the methods envisaged by the code of criminal procedure, the seizure of the price or profit of the crime for confiscation, which - at the end of the case - will be applied with the conviction ruling against the Entity itself. Furthermore, if there are grounds to consider that the guarantees for payment of the financial penalty, the costs of the proceedings and any other sum due to the State are absent or have dissipated, the Public Prosecutor may request - at any stage and level of the trial - the conservative seizure of the moveable and/or immovable assets of the Entity or the sums or items due to it.

The liability envisaged by the Decree also exists in relation to crimes committed abroad, provided that the State of the location in which the crime was committed does not prosecute the crime itself.

Corporate liability, for which the indicated sanctions may be applied, is therefore based upon "organisational" fault: in other words, the Entity is considered liable for the crime committed by its representative if it failed to establish an organisation able to effectively prevent its implementation and, in particular, if it failed to equip itself with an internal control system and adequate procedures for controlling the correct conduct of the activities at most risk of commission of the crimes.

In the face of such a strict penalty system, however, Art. 6 paragraph 1 of the Decree excludes the Entity's liability if, inter alia, it has adopted and effectively implemented, prior to the commission of the act, organisation and management models suitable to prevent crimes of the nature of that which occurred and it has also entrusted to a Body within the Entity, having autonomous powers of initiative and control, the duty to oversee the functioning and observance of the models and to deal with their periodic update.

In accordance with the provisions of Art. 6, paragraph 2 of the Decree, the Model must, in particular, meet the following requirements:

1. identify the activities in the field of which the crimes may be committed;
2. envisage specific protocols to plan the formation and implementation of the Entity's decisions in relation to the crimes to be prevented;
3. identify methods of managing financial resources suitable to prevent the commission of the crimes;
4. envisage reporting obligations to the Body in charge of overseeing the functioning and observance of the models;
5. introduce a disciplinary system suitable to sanction any failure to observe measures specified by the Model.

These models, as envisaged by Art. 6, paragraph 3 of the Decree, may also be adopted based upon codes of conduct prepared by trade associations representing the Entities.

Implementation of Italian Legislative Decree no. 231/2001

Although the Decree does not envisage the mandatory implementation of the Model, De Nora Italy s.r.l. (hereafter, the “Company” or “DNIT”), in order to avoid, insofar as possible, any unlawful act by persons occupying a "senior" position as well as by its employees, has adopted a specific Model, duly approved by the Board of Directors.

As part of implementation of the provisions of the Decree, the Board of Directors, in putting the Model into effect, has entrusted to a single-person body the assignment to carry out the role of internal control body (Supervisory Body, hereafter, for simplicity, SB), having autonomous duties of supervision, control and initiative in relation to the Model itself.

The SB is responsible for ensuring that the Entity has a suitable organisational model and overseeing that the same is effectively implemented, ascertaining the effectiveness of its functioning and ensuring it is progressively updated, so as to guarantee constant adjustment to supervening changes of operational and/or organisational nature.

INTENDED RECIPIENTS OF THE MODEL

The recipients of the rules and requirements contained in the Model comprise all Company representatives: shareholders, directors, members of the other corporate bodies, and employees.

The following are also recipients of the Model and are thus required to respect its contents: external collaborators, freelancers, consultants as well as any commercial and/or industrial partners.

ORGANISATION AND MANAGEMENT MODEL

Articles 6 and 7 of the Decree regulate cases in which the Entity is not liable for the crime committed by the persons indicated in Art. 5. These rules highlight a difference in terms of the regulation, and evidentiary laws governing crimes committed by persons in a senior position and those committed by subordinates.

In fact, by introducing a reversal of the burden of proof, Art. 6 envisages that the Entity is not liable for crimes committed by senior persons, if it demonstrates that:

1. the management body has adopted and effectively implemented, prior to the commission of the act, organisation and management models suitable to prevent crimes of the nature of that which occurred;
2. the duty to oversee the functioning and observance of the models, as well as to deal with their relevant updates, has been entrusted to a Body of the Entity having autonomous powers of initiative and control;
3. the persons committed the crime by fraudulently evading the organisation and management models;
4. there was no omitted or insufficient supervision by the Body indicated in paragraph 2.

According to Art. 7, for crimes committed by persons subject to the management of others, the Entity is liable, on the other hand, only if the commission of the crime was rendered possible by the breach of the management or supervision obligations (but, in such circumstance, the burden of proof lies with the prosecution). In any event, such obligations are assumed to be observed if the

Entity, prior to the commission of the crime, adopted and effectively implemented an organisation, management and control model suitable to prevent crimes of the nature of that which occurred.

Purpose and objectives of the Model

The objective of the Model is to implement a structured and organic system of procedures and control activities (preventive and successive), aimed at effectively combating the risk of committing the crimes, by identifying the risk activities and their necessary regulation.

Consequently, the rules contained in this Model are intended, on the one hand, to make the potential perpetrator of the crimes aware of their illegality and the unfavourable stance taken by the Company towards such conduct, even where he/she may draw a benefit thereof, and, on the other hand, to allow the Company itself to intervene promptly to prevent or impede the perpetration of such crimes, by virtue of systematic monitoring of the activities and processes at risk.

The objectives of the Model thus include that of raising the awareness of both senior roles and those subordinate to the management of others as to the significance of the legislation in question, making them aware that in the event of conduct not compliant with the provisions of the Model, rules and associated procedures, laws and applicable regulations, the same may incur penalties - according to the rules contained in this document - and, regardless of any personal criminal liability, the Company may also incur liability, in accordance with the Decree, with the consequent application of financial penalties and/or bans.

Structure of the Model

This Model consists of a "General Section" and several "Special Sections", prepared in relation only to those crimes considered by the Decree that, at the outcome of the risk mapping activity, are deemed likely to apply to the company's activities.

With regard to the other predicate crimes envisaged by the Decree, it is considered that DNIT's activity does not present high risk profiles or aspects that may be construed as reasonably possible for a crime to be committed. The conduct concerned is in fact deemed objectively extraneous to the Company's normal activity and therefore the latter, in light of the analysis performed, has considered observance of the Group's Code of Ethics (in addition to the general principles present here) to be adequate as a preventive measure.

The Board of Directors - also as proposed by the SB - has the power to adopt specific resolutions to supplement the Model, inserting additional Special Sections relating to the types of crimes that, by virtue of any future regulatory interventions, may be inserted or in any case related to the area of application of Italian Legislative Decree 231/2001.

ADOPTION OF THE MODEL

Approval of the Model

The Model must be approved by resolution of the Company's Board of Directors.

Amendments and additions

This Model is a deed issued by the management body, in conformity with the provisions of Art. 6, first paragraph, letter a) of the Decree: any subsequent amendments and additions of substantial nature to the Model itself may be made - possibly on proposal by the SB - only by the Board of Directors.

Power is therefore granted to the Chairman - as well as to each director - to report to the Board of Directors, every time he/she considers it appropriate or necessary for any changes to be made to the Model.

CHAPTER 2

INTRODUCTION

De Nora Italy s.r.l. (hereinafter, also, “DNIT” or the “Company”) has as its purpose the design, construction and marketing of electrodes and electrolyzers for electrochemical plants.

It forms part of the De Nora Group, a leader in the design, production and supply of products, technologies and complete solutions for electrochemistry.

The Company share capital is held entirely by Industrie De Nora S.p.A. which also exercises management and coordination functions over the subsidiary in accordance with Art. 2497 et seq. of the Italian Civil Code.

As part of the project to streamline and simplify the corporate structure of the parent company Industrie De Nora S.p.A., the latter has granted to its subsidiary De Nora Italy s.r.l. (with effect from 1 January 2018), the industrial activities in the sector of design, construction and marketing of electrodes, electrolyzers for electrochemical plants and electrochemical systems for the production of biocides carried out at the plant of Via Piemonte no. 26, Cologno Monzese (MI).

DNIT is also responsible for the production and commercial organisation of the industrial activities, including assets instrumental to the performance of those activities, the warehouse and a number of employment relationships.

All Italian and foreign companies controlled by Industrie De Nora S.p.A. adopt the “De Nora” Code of Ethics and the Parent Company's internal procedures ensure that all subsidiary companies adopt, in managing the activities at risk for the purposes of corporate liability, principles and control measures coherent with the principles and control measures established by the Parent Company. In that regard, it should be noted that the Parent Company has established an Ethics Committee which has the task of promoting in all Group companies the dissemination and implementation of the principles of the Code of Ethics, to carry out investigations in the event of reports, as well as to verify the adequacy of the Code of Ethics itself, incentivising any updates and additions.

The Company has its registered and administrative office in Milan, at Via Bistolfi no. 35, and the production plant is based in Via Piemonte no. 26, Cologno Monzese. (MI)

Company's governance structure

DNIT adopts a "traditional" administration and control system in accordance with Articles 2380-*bis* et seq. of the Italian Civil Code.

The *governance* structure is based upon the following Bodies:

- **Shareholders' Meeting**, this is the Body that expresses, through its resolutions, the will of the sole shareholder; the shareholders' meetings are the opportunity to establish a productive dialogue between the Shareholder and the Directors in the presence of the Board of Statutory Auditors.
- **Board of Directors**, appointed by the Shareholders' Meeting, it is the Body that oversees the strategic decisions, corporate policies and the definition of the corporate objectives; it is entrusted management of the business in order to achieve the corporate purpose. The Board of Directors is in charge of the functions and related responsibilities in relation to strategic and organisational guidelines, as well as the check that the necessary controls are in place to guarantee the fairness and legitimacy of the company's actions.

- The Chairman of the Board of Directors and managing directors are the persons who are granted specific delegations of powers to administer and manage the business in accordance with the provisions of law and the Articles of Association.
- Board of Statutory Auditors or Sole Auditor (hereafter, Control Body): this is the body having supervisory functions in relation to respect of the law and the Articles of Association, as well as management control. The control body, as part of the duties entrusted to it by law, oversees, with the support of the company control structures, the actual functioning of the internal control system and verifies the adequacy of the organisational, administrative and accounting structure approved by the Board of Directors, to which it reports any anomalies or weaknesses.

Organisational structure integrated documentation

The Company's organisational structure is represented completely and comprehensively through an organisation chart, organisational communications and intercompany contracts.

This set of documentation clearly identifies all organisational units and their respective missions and responsibilities and the hierarchical and functional reporting lines.

In that regard, in order to realise the synergies existing within the Group in terms of efficient use of skills and streamlining the use of the central structures, DNIT makes use of a number of departments of organisational units established at the Parent Company (CEO, AFC, HR, ICT, PT, MBD, Central Procurement).

To guarantee the necessary characteristics of independence, autonomy and authority, the aforementioned Departments operate under specific contracts between related parties signed between DNIT and the Parent Company, regulated at normal market conditions.

The Company **organisation chart** is attached to this document.

System of Delegations

The Board of Directors has approved the System of Delegations, and constantly monitors its respective adjustment in order to guarantee:

- clear identification and specific assignment of powers and limitations to persons whose actions commit the company and manifest the company will;
- the consistency of the attributed powers with the assigned organisational responsibilities;
- adequate periodic reporting mechanisms of the delegated powers.

Internal integrated regulatory system

The Company's overall system of internal rules regulates clearly, congruously and comprehensively all relevant operating methods.

The Policies, issued by the Board of Directors, also in incorporation of the Parent Company's instructions, define the guidelines in relation to *governance*, organisation and internal control and risk management and in relation to the *core business* activities.

The procedures and other regulatory instruments regulate adequately the processes and work flows:

- identifying the operating methods and information flows;
- guaranteeing the formal documentation of the activities and the possibility of their *ex post* reconstruction as well as monitoring and line control;
- clearly identifying the process responsibility;
- guaranteeing the segregation of duties and responsibilities;

- guaranteeing accessibility and awareness through adequate information and training activities on the company regulations.

From this profile, the Company has adopted the **Code of Ethics** of the Group to which it belongs (also attached to this Model) which summarises the fundamental ethical values that inspire the De Nora Group and with which all employees and external collaborators must comply in carrying out the duties entrusted to them, establishing, to monitor the same, an Ethics Committee having specific powers of control regarding the actual application and respect of the principles indicated therein.

Risk mapping

Art. 6, paragraph 2, letter a) of Italian Legislative Decree 231 of 2001 indicates, among the requirements of the model, the identification of the processes and activities in the area of which the crimes likely to determine corporate liability may be committed.

Prior to identifying the "at risk" areas within the Company, an analysis is performed - mainly documentary (but not only) - of the corporate and organisational structure of DNIT, with the aim of identifying the company areas that form the subject of the intervention. To this end, an inventory is made of the company processes and the procedures that already exist in the potentially "sensitive" areas with reference to the circumstances of crime regulated by the Decree.

In particular, the mapping activity leads to the identification of the areas of business operations in which risks of committing the crimes involving corporate liability for the Entity may materialise. These relate to the following functions:

- **Operations:** responsible for the company production process, therein including design, research, warehouse management and logistics.
- **Administration, Finance and Control (AFC):** oversees the preparation of budget accounting documentation, controls financial flows, checks the correct allocation of resources and oversees budget, accounting, tax control and treasury operations in conformity with the DN Corporate policies / procedures, international standards and relevant regulations.
- **Sales & After Sales:** defines the company sales plan, identifying the sales targets and respective strategies, organising and training the staff in the company's sales force.
- **Procurement:** deals with procuring goods, works and services functional to the company activity, selecting suppliers in possession of the necessary technological, professional, organisational, financial and ethical requirements, through procurement strategies fully integrated with the business objectives and with the principles indicated in the Group Code of Ethics.
- **Human Resources, Organisation & Int. Communication:** identifies, together with company management, and carries out the necessary operations to manage recruitments, training, remuneration and bonuses, terminations, development plans, developing every professional role with a view to optimising the overall company organisation.
- **Information and Communication Technology (ICT):** guarantees the functioning of the IT infrastructures and the correct management of the company database, the planning of projects to improve the ICT systems, the development of IT projects of the company, the preparation of functional procedures, budget management and the identification of organisational requirements in the ICT sector.

- **Legal Department:** provides legal services and advice to the company in relation to the various areas of interest; participates in drafting internal documents and procedures in the area of interest; manages any legal litigation of the company.

Having identified the areas of company operations in which risks of committing crimes involving corporate liability may theoretically arise, the mapping activity consists in carrying out a series of interviews with persons operating in the area of the relevant company functions, with the aim of analysing the management processes and active control instruments for each sensitive activity.

SUPERVISORY BODY (SB)

Identification of the SB

Art. 6, paragraph 1 of the Decree envisages that the Entity may be exempt from liability if it proves, *inter alia*, that the duty to oversee the functioning and respect of the organisation and management model and to deal with its update was entrusted to a Body of the Entity, having autonomous powers of initiative and control.

The DNIT SB is a single-person body appointed by the Board of Directors and chosen from persons having proven professionalism and integrity, with specific skills in relation to inspections, administration-management and legal issues. The duration of the mandate is established at the time of appointment.

if the relationship of the SB member is revoked or terminated during the mandate, the Board of Directors shall replace him/her without delay.

Any person who has been subject to a criminal conviction ruling¹⁷ that has become final involving disqualification, even temporary, from public offices or from management roles in legal persons, as well as anyone who has been convicted, even if not yet on a final basis, of one of the crimes indicated in Decree no. 231/01 are ineligible for the role of member of the SB (or should such circumstances occur at a later date, these constitute just cause for revoking the assignment).

The director with delegated powers and shareholders who perform, in a senior position, functions and activities among those most subject to the supervision and assessment of the SB may not be appointed as members of the SB.

At the time of election, the appointed persons will issue a specific declaration of not being subject to any of the indicated causes of ineligibility.

SB prerogatives and resources

For the exercise of its functions, the SB has full organisational and financial autonomy.

To that end, at the start of each financial year, the SB agrees with the Board of Directors the amount of resources required for its activity. The management, use and allocation of such resources are then decided by the SB entirely autonomously and independently.

The SB may collaborate with other persons belonging to the Company if their knowledge and specific expertise is required.

¹⁷ The ruling applying the plea bargain pursuant to Art. 444 of the Italian Code of Criminal Procedure is understood to be equivalent to a conviction ruling.

In cases of particular need, the SB will have the right to obtain advice from external professionals, to whom it may delegate limited areas of investigation.

SB functions and powers

The SB is entrusted on a general level the duty to oversee:

- a) respect of the requirements of the Model and the documents related to it by the recipients, taking any necessary initiative;
- b) the actual effectiveness and capacity of the requirements of the Model, in relation to the company structure, to prevent the commission of the crimes indicated in the Decree;
- c) the opportunity to update the provisions and rules of conduct of the Model.

In particular, the SB will achieve the aforementioned purposes through:

- the activation and performance of any control activity considered appropriate
- scrutiny of the Company's activity, for the purposes of updating the mapping of the at-risk activity areas;
- implementation of any suitable initiative to facilitate the raising of awareness and understanding of the Model by the Company representatives, shareholders, employees and any external collaborators;
- collection, investigation and storage of information received by it;
- coordination with other company functions;
- ascertainment of any possible violation of the requirements of this Model and/or the Decree and the proposal to start any disciplinary proceedings;
- reporting to the Board of Directors of any deficiencies of the Model and consequent proposal of any appropriate modification or improvement;
- collection of reports of conduct or situations in contrast with the provisions of the Model and the implementing procedures of the same, along with any circumstance potentially likely to facilitate or in any case make possible the commission of the crimes or relating to crimes already committed.

INTERNAL INFORMATION FLOWS

Reporting obligations to the SB

Art. 6, paragraph 2, letter d) of the Decree establishes that the Organisation and Management Models must envisage specific reporting obligations to the Body in charge of overseeing the functioning and respect of the Model, namely the SB.

In particular, the SB has the power to receive useful information for the fulfilment of its duties from each recipient of the Model, in full autonomy and absolute independence.

Furthermore, the SB has the right to access all company information and documents useful for fulfilling its duties. All Recipients of the Model are required to collaborate to ensure the above-mentioned access.

All Recipients of the Model must communicate to the SB all information and data relevant for the purposes of preventing the sensitive circumstances of crime pursuant to Italian Legislative Decree 231/01, the adequacy, update and respect of the Model.

The SB receives the following flows:

- periodic and continuous information flows (quarterly report);
- specific information flows (envisaged by the individual Special Sections of the Model);
- generic information flows.

The failure of/delayed/unjustified transmission of information flows constitutes a violation of the Model and a disciplinary offence which may be duly sanctioned.

Periodic and continuous information flows

The periodic and continuous information flows to the SB are sent through specific reports prepared by the Company which differ according to the different company functions: these are reports of general and summary nature of what has already been communicated promptly to the SB during the quarter.

The report supplements (and does not replace) the specific and generic information flows that each Recipient is required to make in respect of the provisions of the Model; the report must be completed and signed by the heads of the company functions involved in the areas most at risk and spontaneously sent to the SB, accompanied by any annexes, within fifteen days after the end of the quarter (thus between the 1st and 15th of the months of April, July, October, January).

Specific information flows

The Recipients must communicate to the SB all information and news required by the specific Special Sections of the Model.

Generic information flows

In addition to any documentation expressly indicated in each individual Special Section of the Model, all information that may be relevant for preventing the sensitive circumstances of crime in accordance with Italian Legislative Decree 231/01 and/or for assessing the adequacy of the Model, as well as its update, must always be communicated without delay to the SB.

By way of example but without limitation, the following must be communicated:

- changes to the company's organisational structure;
- renewals or obtaining of new certifications;
- accidents, near misses, incidents, occupational diseases, suspected occupational diseases and/or other anomalies in relation to accident prevention;
- requests for legal assistance sent by the shareholders, by the members of the corporate bodies and by employees being prosecuted by the Judiciary for crimes cited by the Model;
- measures and/or information originating from Judicial Police bodies or from any other authority, revealing the conduct of investigations, even against unknown persons, for the crimes cited by the Model;
- disciplinary proceedings initiated in relation to violations of this Model and any sanctions applied;
- request for, payment and use of public contributions and/or funds of any nature;
- local or national news that may be significant in relation to the prevention of criminal acts of a sensitive nature pursuant to Italian Legislative Decree 231/01;
- any other information considered useful for improving the Model.

Information flow communication channels

All information flows must be sent to the SB , either:

- electronically, by sending an email to the SB email address: odv@studiolegalemilani.net (communicated by the Company by sufficient means of dissemination, such as internal circulars or by affixing notices on the company notice boards);
- on paper, by delivery to the SB on the occasion of meetings held by the same at the Company (if compatible with the timescales/deadlines set for sending the respective information flow),
- by any different methods indicated by the SB itself.

Whistleblowing regulations (Italian Law no. 179 of 30.11.2017)

Italian Law no. 179 of 30.11.2017 laying down “Provisions for the protection of those making reports of crimes or irregularities of which they have become aware as part of a public or private relationship” introduced into the legal system some measures aimed at facilitating the reporting by employees of any crimes committed within the company, particularly through the establishment of procedures aimed at preserving the confidentiality of the whistleblower's identity and the content of the report.

In particular, all Recipients must send to the Supervisory Body, in order to protect the Company, detailed reports of significant illegal conduct in accordance with Italian Legislative Decree 231/01, based upon precise and consistent factual elements, or reports of any violations of this Model, based upon precise and consistent facts, of which the same have become aware as a result of the functions performed.

This obligation is in addition to (and does not replace) the duty to report to the Ethics Committee, also anonymously, any violation of the Code of Ethics via the page specifically set up on the company portal.

Content of the report

The reports must contain at least the following elements:

- personal details of the individual making the report, indicating the position or role within the Company;
- clear and complete description of the facts being reported;
- circumstances of time and place in which the reported facts occurred (if known);
- personal details or other information identifying the person who perpetrated the reported facts;
- any other useful documents or information to evidence the reported facts.

Reports may be made anonymously as long as they are adequately documented¹⁸.

It is prohibited to submit, with wilful intent or gross negligence, groundless reports.

Any violation of the prohibition, along with any failure to report, constitutes a disciplinary offence and, as such, may be sanctioned in accordance with the disciplinary system of this Model.

¹⁸ Confindustria “*Whistleblowing Rules*” - Explanatory Note January 2018.

Personal grievances may not form the subject of reports¹⁹ and will not be accepted.

Reporting channels

In order to guarantee the confidentiality of the whistleblower's identity, specific reporting channels to the SB are put into place.

All reports must be sent to the SB, either:

- electronically, by sending an email to the SB email address: odv@studiolegalemilani.net (communicated by the Company by sufficient means of dissemination, such as internal circulars or by affixing notices on the company notice boards); In order to protect the whistleblower's confidentiality, the SB's mailbox is held on a domain external to the company domain;
- on paper, by sending the report in a sealed envelope to the Supervisory Body by ordinary post to the registered office of DNIT, in Via Bistolfi no. 35, Milan;
- verbally, by means of a personal discussion with the SB during meetings held by the same at the Company, or by requesting an appointment for this purpose.

The whistleblower adopts the communication channel considered most suitable with respect to the nature, urgency and content of the report, favouring, where possible, the electronic method.

Measures to protect the whistleblower

The SB is obliged to maintain the confidentiality of the whistleblower's identity, subject to express authorisation of the person involved.

Acts of retaliation or discrimination, direct or indirect, against the whistleblower for reasons connected directly or indirectly to the report are prohibited.²⁰

The application of the disciplinary system against any whistleblower who makes groundless reports, with wilful intent or gross negligence, does not constitute an act of retaliation. Any ascertainment of the whistleblower's wilful intent or gross negligence involves the loss of the right of confidentiality of the same, leading to implementation of the disciplinary system.

Any violation of the measures protecting the whistleblower constitutes a violation of the Model and, as such, may be sanctioned in accordance with the disciplinary system of this Model.

SB activities consequent to the report

Reports that are manifestly generic or irrelevant (not containing, for example, a description of specific and concrete facts or referring to illegal facts and/or irregularities not falling within the

¹⁹ *Guidelines for preparing Whistleblowing Procedures* - Transparency International Italia (Anti-Corruption Association).

²⁰ In that regard, Art. 6 of Italian Legislative Decree, paragraphs 2-ter and 2-quater, 231/01 establishes the following:
2-ter. *The adoption of discriminatory measures against persons making the reports indicated in paragraph 2-bis may be reported to the National Employment Inspectorate, in order for it to take the measures under its remit, as well as by the whistleblower, also by the trade union organisation indicated by the same.*

2-quater. *Any dismissal by way of retaliation or discrimination against the whistleblower is invalid. Any change of duties in accordance with Article 2103 of the Italian Civil Code is also invalid, as are any other retaliatory or discriminatory measure adopted against the whistleblower. It is the responsibility of the employer, in the case of disputes linked to the application of disciplinary sanctions, or to de-skilling, dismissals, transfers or subjection of the whistleblower to another organisational measure having direct or indirect negative effects on working conditions, after the submission of the report, to demonstrate that such measures are based upon reasons unrelated to the report itself.*

scope of application of Italian Legislative Decree 231/01) will be archived immediately. The other reports will be assessed by the Supervisory Body, which may request from any Company representative any type of information and/or documentation that may be useful for its investigation and control activity. The requested person must comply, with the utmost care, completeness and promptness, with any request received by them in that sense from the SB.

A specific report will be drawn up of the investigation activities carried out by the Supervisory Body.

At the end of the investigation activities, if the report is found to be groundless, the Supervisory Body will archive the report.

If the report is, on the other hand, worthy of investigation, the Body will provide a suitable report to the Board of Directors and to the control body.

Any information and/or report received (including those archived) as well as reports of the assessments made by the SB will be stored, by the Body itself, in a specific archive.

Relationships between the SB and the corporate bodies

The SB will inform, with an annual report, the Board of Directors of the activity performed in the period, with particular reference to the verifications performed, indicating any anomalous situations identified during the year and making any proposal for improvement of the company organisation or of parts of the Model in order to best prevent the risk of committing the crimes envisaged by the Decree.

The SB must in any case report promptly to the Board of Directors any violation of the Model considered to be well-founded, of which it has become aware by way of a report by employees or which the Body itself has ascertained during its supervisory activity.

The Board of Directors and its Chairman have the right to convene the SB at any time which, in turn, has the right to request the convocation of the aforementioned body for urgent reasons.

Relationships between the SB and the control body

At least on a half-yearly basis, a meeting must be held between the control body and the SB to exchange information on the performance of their respective roles and the activities under their limited remit.

This is subject to the possibility of holding additional meetings if this becomes necessary as a result of events and/or reports that require a specific meeting, subject to the duty of mutually reporting anomalies under their common remit.

Relationships between the DNIT SB and the IDN SB

IDN carries out management and coordination activity in relation to DNIT. Each of the two companies has appointed its own SB.

At least on an annual basis, a meeting must be held to exchange information on the performance of their respective roles and the activities under their limited remit.

This is subject to the possibility of holding additional meetings if this becomes necessary as a result of events and/or reports that require a specific meeting, subject to the duty of mutually reporting anomalies under their common remit.

Relationships between the SB and other entities

Relationships with the HPPS

At least on a half-yearly basis, a meeting must be held between the SB and the HPPS to carry out monitoring of that envisaged in Special Section - Chapter 5 (Crimes in relation to Workplace Safety) of this Model. The HPPS also sends to the SB on a half-yearly basis a specific report on workplace safety with regard to the status of the prevention measures adopted in the company, any critical areas identified in the period of interest, and the improvement actions taken and/or to be taken.

This is subject to the possibility of holding additional meetings if this becomes necessary as a result of events and/or reports that require a specific meeting, subject to the duty of mutually reporting anomalies under their common remit.

Relationships with the Ethics Committee

At least on an annual basis, the SB makes contact with the Group Ethics Committee in order to exchange, within their relative scope of competence, the due information regarding the performance of the respective assignments. This is subject to the possibility of additional contacts and/or meetings if this becomes necessary as a result of specific events and/or reports.

Relationships with the internal company representative

The Company, having liaised with the SB, identifies within it a representative who participates at meetings of the SB (subject to the express request of the SB itself, when it considers it appropriate to hold the meeting behind closed doors), to coordinate the Recipients in order to best support the SB in its activities and to promote the fulfilment of the requirements stated in the reports of the SB activities in accordance with Italian Legislative Decree 231/01.

DISCIPLINARY SYSTEM

General principles

In light of the provisions of Art. 6, paragraph 2, letter e) of the Decree, a fundamental element for the effectiveness of the Model is the establishment of a sanction system for any violation of the rules of conduct imposed by it.

The establishment of adequate disciplinary measures aimed at preventing and, where necessary, sanctioning any violations of the rules indicated in this Model in fact constitutes an integral and fundamental part of the Model itself and is aimed at ensuring that it is effective. To this end, the Company has established a comprehensive disciplinary system (which is attached to this document, and to which reference is made for any further information).

The application of the disciplinary system and the respective sanctions is independent from the conduct and outcome of any criminal proceedings brought by the Judicial Authority, if the conduct to be censured also constitutes a circumstance of crime that is relevant in accordance with the Decree.

The disciplinary sanctions will be commensurate to the level of liability of the perpetrator of the infraction, any existence of disciplinary precedents for the same, the severity of the conduct, as well as the intentional nature of the same.

The following conduct (the list of which is not exhaustive of the circumstances of disciplinary offences) constitutes a violation, subject to disciplinary sanctions:

- failure to observe the general rules of conduct and procedures envisaged by the Model, even if implemented through omissions and in conjunction with others;
- preparation, even in conjunction with others, of incomplete or untrue corporate documentation;
- assistance, by way of omissions, in the preparation, by others, of incomplete or untrue documentation;
- violation of the protection measures envisaged by law for those who have made, in order to protect the integrity of the entity, detailed reports of illegal conduct based upon precise and consistent facts, and/or violations of the Organisation and Management Model of the entity, of which they have become aware based upon the functions performed;
- reports of illegal conduct made with wilful intent or gross negligence and which are found to be groundless.
- any other conduct, committed or omitted, that harms or endangers the Company's interest in the effective implementation of the Model.

Having ascertained the violation, the perpetrator will be subjected to a disciplinary sanction proportionate to the severity of the violation committed and to any re-offence.

Any violation of the Model, which may determine the application of a disciplinary sanction, must be notified to the SB, except where the violation has been identified by the same.

The SB has, in any case, the power to launch disciplinary proceedings in relation to conduct that constitute violations of the requirements of this Model.

Sanctions against the Directors

If violations of the Model are committed by one or more Directors, the SB will inform the entire Board of Directors, the Sole Auditor and the Shareholders' Meeting; the latter will take the appropriate initiatives envisaged by the articles of association and by the legislation in force.

If disciplinary sanctions are adopted, the SB must be informed.

Sanctions against the Auditor

If violations of the Model are committed by the Auditor, the SB will inform the entire Board of Directors, which will take the appropriate initiatives envisaged by the articles of association and by the legislation in force.

If disciplinary sanctions are adopted, the SB must be informed.

Sanctions against the employees

If violations of this Model are committed by one or more directors, the SB will immediately inform the Board of Directors and the control body of the Company. Conduct in violation of the rules contained in this Model will constitute a disciplinary offence and will be sanctioned as envisaged in the disciplinary system approved by the Company, and, more generally, in the National Collective Labour Agreement for the industry.

If disciplinary sanctions are adopted, the SB must be informed.

Measures against external collaborators and Partners

Any behaviour implemented by external collaborators, or by industrial and/or commercial partners, in contrast to the code of conduct indicated in this Model and in any case likely to involve the risk of committing one of the crimes indicated in the Decree, may determine, as envisaged by the specific

contractual clauses inserted in the engagement letters or agreements, the termination of the contractual relationship.

DISSEMINATION AND AWARENESS OF THE MODEL IN THE COMPANY

Staff training

In order to ensure the most effective application of this Model, the Company disseminates the Model by distributing the text on paper or electronically, as well as through any other suitable information and awareness-raising initiative.

Similarly, the Company will disseminate all additions and modifications that are made to the Model over time.

In particular, all company functions must be trained on:

- Italian Legislative Decree 231/01 and its consequences in relation to corporate liability;
- the circumstances of crime envisaged and punished by the combined provisions of Italian Legislative Decree 231/01 and the circumstances of crime cited therein;
- the analysis of the risk areas of the aforementioned crimes;
- the analysis of the prevention protocols envisaged within the Special Sections of this Model;
- the essential principles of the rules on whistleblowing (Italian Law no. 179 of 30.11.2017) and notably:
 - relevant regulatory context;
 - material functioning and methods of accessing the information channels established to ensure that the reporting system functions correctly;
 - the sanction system established for those who violate the whistleblower protection measures, as well as those who, with wilful intent or gross negligence make reports that are considered to be groundless.
- communication channels of periodic and continuous, specific and generic information flows envisaged by this Model;
- sanction mechanisms envisaged in the event of violation of the requirements contained in this Model.

The training courses are held using different methods, depending on the duties covered by the company functions receiving the course. By way of example:

- training course for senior bodies (directors and attorneys) and control bodies (sole auditor);
- training course for administrative/accounting/sales employees;
- training course for operational employees.

These activities must be able to:

- exclude the possibility of any person operating within the Company justifying their conduct by claiming ignorance of this Model;
- avoid any crimes being caused by human errors, even due to negligence or incompetence, in the assessment of the requirements of this Model.

To that end, the information must be complete, prompt, accurate, accessible and continuous, so as to allow all shareholders, representatives and employees of the Company to gain full awareness of the company directives and be placed in a position to respect them.

All course Recipients²¹ must undergo - via the De Nora Academy portal - a named learning assessment test, consisting of multiple choice questions on the course subjects; any failure to pass the test means the individual must undergo further training, which will not be valid as a mandatory update.

Any unjustified lack of organisation and/or participation on the training courses constitutes a violation of this Model with consequent activation of the disciplinary system.

The SB will verify, also by sampling methods, that all recipients within the Company are effectively aware of the Model.

New employees will receive, upon recruitment and from the Head of Human Resources, via the *My Governance* company portal a copy of this Model. The system certifies the receipt, as well as the commitment by the new recruit to comply with the contents of the same.

A paper copy of this Model will remain available to employees both at the HR Department in Via Bistolfi no. 35, Milan, and at the Cologno Monzese plant.

Information to external collaborators and partners

The Company promotes awareness and respect of the Model also among the commercial and/or industrial *partners* with which it holds significant financial relationships, as well as among external collaborators, who are not employees of the same. These will be informed of the content of the Model, also by extract, from the very start of the professional or commercial relationship.

PERIODIC CHECKS

The SB must carry out periodic checks (no less than four times a year and in any case whenever necessary) aimed, in particular, at:

- overseeing the functioning and observance of the Model by all persons who operate within the Company and on behalf of the same;
- obtaining any useful information for making proposals in relation to the updating of the Model;
- ascertaining the effective suitability of the Model to prevent the commission of crimes;
- checking the constant adequacy of the informative channels established for reporting significant illegal conduct in accordance with Italian Legislative Decree 231/01 and/or violations of this Model as envisaged by the regulations on whistleblowing (Italian Law no. 179 of 30.11.2017);
- guaranteeing respect of the prohibition on acts of retaliation or discrimination, direct or indirect, against whistleblowers for reasons connected, directly or indirectly, to the report;
- verifying the correct use of information channels by those reporting the commission of criminal offences and/or violations of this Model.

²¹ Senior bodies and control bodies are excluded, as the training reserved for them is at a different level to the other recipients. By way of example, the course for senior bodies and control bodies may take place during a meeting with the SB.

The SB analyses all reports received, events considered at risk and information and training initiatives implemented to disseminate, at all company levels, awareness of the provisions of the Decree and this Model.

The outcomes of the checks performed and any critical areas found must be reported to the Board of Directors, at its next meeting, indicating, if appropriate, any adjustments to be made.

SPECIAL SECTION

CHAPTER 3

CORPORATE CRIMES

DNIT is subject to the management and coordination of Industrie De Nora S.p.A. in accordance with Art. 2497 bis of the Italian Civil Code.

It is also subject to the control of a control Body, as well as external auditing companies.

The corporate criminal offences likely to affect the activity of DNIT, a company not listed on regulated markets and not subject by law to the control of public supervisory authorities, can be split into three categories:

- crimes related to economic, financial and capital information relating to the financial statements, reports or other corporate communications envisaged by law and, in particular:
 - false corporate communications (Art. 2621 and Art. 2621 bis of the Italian Civil Code);

- crimes relating to the management of corporate governance and, in particular:
 - impeded control (Art. 2625 of the Italian Civil Code);
 - undue return of contributions (Art. 2626 of the Italian Civil Code);
 - illegal allocation of profits and reserves (Art. 2627 of the Italian Civil Code);
 - illegal transactions on company stocks or shares or those of the parent company (Art. 2628 of the Italian Civil Code);
 - transactions to the detriment of creditors (Art. 2629 of the Italian Civil Code);
 - fictitious formation of capital (Art. 2632 of the Italian Civil Code);
 - undue allocation of company assets by the liquidators (Art. 2633 of the Italian Civil Code);
 - unlawful influence on the shareholders' meeting (Art. 2636 of the Italian Civil Code).
 -

- crime of corruption and instigation to corruption among private entities (Art. 2635 and 2635-bis of the Italian Civil Code)
-

A brief description of the aforementioned crimes is provided below:

False corporate communications (Art. 2621 and 2621 bis of the Italian Civil Code) – Art. 2621 of the Italian Civil Code is intended to protect the trust placed by shareholders and creditors in the truthfulness of the financial statements and communications of the enterprise, organised in corporate form, irrespective of whether or not they incur damage and even if no damage is incurred (Art. 2621 bis of the Italian Civil Code envisages mitigation for acts of minor significance). The crime punishes the illustration of material facts that are untrue or the omission of material facts the communication of which is required by law with reference to the economic, capital and financial situation of the company.

Impeded control (Art. 2625 of the Italian Civil Code) – This crime occurs when, by concealing documents or through other deception, the conduct of the control activities legally attributed to the corporate bodies is impeded or hindered.

Undue return of contributions (Art. 2626 of the Italian Civil Code) - This crime materialises when the directors, with the exception of cases of legitimate share capital reduction, return, even by simulation, contributions to the shareholders or release them from the obligation to make them.

Illegal allocation of profits and reserves (Art. 2627 of the Italian Civil Code) – This crime materialises when, except where the circumstance constitutes a more serious crime, the directors allocate profits or advances on profits not actually attained or intended by law for the reserve, or they distribute reserves, even not constituted with profits, which cannot, by law, be distributed. The return of the profits or the reconstitution of reserves before the deadline set for the approval of the financial statements extinguishes the crime.

Illegal transactions on company stocks or shares or those of the parent company (Art. 2628 of the Italian Civil Code) - This crime materialises when the directors, outside the cases permitted by law, purchase or subscribe company stocks or shares, causing damage to the integrity of the share capital or the reserves that cannot be distributed by law; or, outside the cases permitted by law, they purchase or subscribe stocks or shares issued by the parent company, causing damage to the share capital or reserves not distributable by law. If the share capital or reserves are reconstituted before the deadline set for the approval of the financial statements for the financial year in relation to which the conduct was implemented, the crime is extinguished.

Transactions to the detriment of creditors (Art. 2629 of the Italian Civil Code) – This crime materialises if the directors, in violation of the legal provisions protecting creditors, make share capital reductions, or perform mergers with other companies or demergers, causing damage to creditors.

Fictitious formation of capital (Art. 2632 of the Italian Civil Code) – This crime materialises when the directors and shareholders of the Company, even partly, form or increase fictitiously the share capital by attributions of stocks or shares in an amount higher than the sum of the share capital, reciprocal subscription of stocks or shares, significant over-valuation of the contributions of assets in kind or credits or the equity by the Company in the case of transformation.

Unlawful influence on the shareholders' meeting (Art. 2636 of the Italian Civil Code) – This crime materialises when a person, with simulated or fraudulent acts, such as by promising a participant in the shareholders' meeting an economic advantage, determines the majority in the shareholders' meeting, with the aim of procuring for themselves or for others an unjust profit. The crime materialises with the irregular formation of a majority.

Corruption and instigation to corruption among private entities (Art. 2635 and 2635 bis of the Italian Civil Code) – The crime of corruption among private entities punishes the directors, general managers, managers in charge of preparing the corporate accounting documents, auditors, liquidators and anyone who, within the organisation, exercises management functions other than those of the entities mentioned above who - also through a third party - solicits or receives, for themselves or for others, cash or other utilities not due or accepts the promise of the same. The possibility of punishment is also extended to those who are subject to the management or supervision of the persons indicated above. Those who, also through a third party, offer or promise or give cash or other utilities that are not due are also punished. In all these cases, the solicitation, offer and/or promise must be made for the purpose of having the interlocutor perform (or omit) an act contrary to official obligations and/or duties of loyalty. For the purposes of the commission of the crime, therefore, the mere promise (or acceptance of a mere promise) of cash or utilities not

due is sufficient. If the offer or promise is not accepted, the crime of corruption does not materialise, but there is, however, the crime of "instigation to corruption", punished less severely but still included in the category of crimes regulated by Italian Legislative Decree 231/01.

RISK AREAS

In light of the crimes and conduct cited above, the Company's areas of activity considered most at risk of commission of illegal activities can be identified as follows:

- A) activity of preparation of communications to the shareholders (or to the public) and in particular:
- management of general accounting;
 - management of supplier, customer and employee accounting;
 - drafting and preparation of the financial statements, reports and other corporate communications required by law and sent to the shareholders and to the public;
 - management of the IT system containing all company accounting data;
 - activity of collection, assessment and aggregation of accounting data necessary for preparing the financial statements;
- B) relationships with the control body and, in particular:
- communication of necessary periodic information;
- C) management of ordinary and extraordinary operations;
- management of intercompany relationships;
 - management of acts of the Board of Directors;
 - management of relationships with shareholders;
- D) management of tax obligations;
- E) negotiation, stipulation and management of active contracts with private legal entities, even without legal personality;
- purchase of goods and services;
 - selection, approval and assessment of suppliers;
 - management of gifts, hospitality and entertaining expenses;
 - management of relationships with financial and credit institutions;
 - management of relationships with consulting companies;
 - management of relationships with insurance companies;
 - management of relationships with private certifying bodies.

The list is obviously subject to changes and additions; if this becomes necessary, additional risk areas will be identified, with the consequent preparation of specific rules of conduct and respective procedures.

In such cases, the SB is responsible for proposing to the Board of Directors any appropriate intervention on the text of the previous Special Section. The Board of Directors itself may, therefore, take similar initiatives autonomously.

RECIPIENTS OF THE SPECIAL SECTION

This special section is aimed at the directors, the Sole Auditor, the Company shareholders and employees, as well as any external collaborators who take part in one of the processes relating to the at-risk activities highlighted above.

GENERAL RULES OF CONDUCT

The recipients are expressly obliged:

- to behave in a correct, scrupulously transparent and collaborative manner, based upon full respect of the rules of law in all activities related to and aimed at preparing the financial statements and other corporate communications, with the aim of providing to the shareholders and to third parties true, complete and correct information on the economic, financial and capital situation of the Company;
- to pay the utmost attention and exercise caution, through respect of the rules of law and internal procedures, to protecting the integrity and effectiveness of the capital and company equity, in full respect of the guarantees of creditors and third parties in general;
- to take care of and protect the due functioning of the company and the corporate bodies, guaranteeing and facilitating any form of control of company management and guaranteeing the free formation of the will of the shareholders' meeting.

SPECIAL RULES OF CONDUCT RELATING TO THE INDIVIDUAL RISK AREAS

Communications to the shareholders and to third parties

Financial statements and other corporate communications

The activity of preparing the annual financial statements and the management report must take place on the basis of the requirements contained in the document issued by the Parent Company and entitled “*De Nora Group – Accounting Standards Manual*”. The Parent Company has also adopted a procedure (“*De Nora Group - financial and legal due diligence reports*”) aimed at ensuring the preparation of monthly reports, by all Companies belonging to the De Nora Group, on the potential risks of financial or legal exposure. Those reports are sent directly to the corporate, financial and legal departments of Industrie De Nora S.p.A.

The activities linked to corporate information must be based upon the following principles:

- the planning of precise deadlines for all fulfilments required to prepare the financial statements, guaranteeing the prompt transmission to all members of the Board of Directors and the Sole Auditor of the draft financial statements, appropriately in advance of the approval date;
- the IT system used for sending data and information must always ensure the traceability of the individual steps and the identification of the workstations that enter the data into the system;
- the planning of one or more meetings involving the Control Body and the SB, before the meeting of the Board of Directors to approve the financial statements, concerning the assessment of any critical areas emerging in the auditing activity.

It is expressly prohibited for all recipients:

- to represent in the financial statements, reports and statements and, in general, in any corporate communication false, incomplete or untrue information on the economic, capital and financial situation of the Company;

- to omit data and information required by law on the economic, capital and financial situation of the Company.

Management of relationships with the control body

In relation to the conduct of the corporate management control activity, the following must be established:

- the timescales and deadlines for prompt transmission to the control body of all data and all information required for the same to best fulfil its control duties;
- the possibility of periodic meetings and discussions between the control body and the SB on matters relating to compliance with the rules and company procedures on corporate governance by the Directors, managers and employees.

It is expressly prohibited to implement conduct that impede in any way, by concealing documents or using other fraudulent means, or that in any case hinder the conduct of the control activity of the sole auditor.

Protection of share capital

All operations that, even indirectly, may affect the share capital, such as the distribution of profits and reserves, the purchase or sale of investments or business branches, mergers, demergers or spin-offs, must occur with the following measures:

- the single body in charge of making decisions on significant operations is the Board of Directors, subject to the responsibilities of the shareholders' meeting;
- if requested by the SB, the entire documentation relating to any operation must be provided to it immediately;
- it must be possible for a meeting and a discussion to be held between the Sole Auditor and the SB in relation to the operations in question.

It is expressly prohibited:

- to return contributions to the shareholders, even by simulation, or to release them from the obligation of making such contributions, outside the scope of cases of legitimate reduction of the share capital;
- to distribute profits or advances on profits not actually achieved or intended by law for the reserve;
- to purchase or subscribe shares of the Company or subsidiary companies outside the scope of cases envisaged by law, harming the integrity of the share capital;
- to make reductions of the share capital, perform mergers or demergers, in violation of the provisions of law protecting creditors;
- to proceed with the formation or fictitious increase of the share capital, attributing shares for a value less than their nominal value on the share capital increase.

Management of intercompany relationships

The management of intercompany transactions is regulated by specific procedures on intercompany operations that are aimed at illustrating the methodology adopted by the Company in relation to the management of intercompany transactions, identifying - in particular - the different categories of intercompany counterparties, the criteria and methods by which the transactions are to be performed, the types of transactions identified and the respective decision-making processes and corporate governance mechanisms adopted by the Company.

The intercompany transactions respect criteria of transparency and substantial and procedural fairness and they are implemented consistently with principles of sound and prudent management

(substantial fairness means the fairness of the transaction from a financial perspective; procedural fairness means the respect of procedures aimed at guaranteeing the substantial fairness of the transaction).

Intercompany transactions are implemented at market conditions or if the fee is correlated adequately to the performance, based upon current price and/or rate parameters, for transactions similar to those usually applied to unrelated parties for transactions of corresponding nature, amount and risk, or based upon regulated tariffs or imposed prices, or those applied to entities with which the Company is obliged by law to contract at a certain fee. If the nature, value or other characteristics of the transactions so require, assistance may be obtained from independent experts, in order to correctly assess their contractual terms.

All intercompany transactions are traceable and adequately certified by way of suitable documentation, which is stored at a specific internal organisational unit in charge of managing corporate fulfilments in relation to intercompany operations, as well as the collection of information useful for determining the perimeter of entities falling within the category of intercompany counterparties and the update of the respective database.

Corruption among private entities

As part of the management of procurement processes of goods and services, the Parent Company has adopted a system of procedures, binding for all Group companies, aimed at regulating aspects relating to the purchase of goods and services as well as the selection and approval of suppliers and, more precisely:

- “Vendor Master Data Management”;
- “Procurement of Common Items”;
- “Organizational Document System”;
- “Material Master Data Rules”;
- “Titanium Scraps Management”;
- “Vendor Management”;
- “Planning and Procurement of Strategic Items”;
- “Vendor Evaluation”;
- “Vendor Qualifications”;
- “Business Card Management”;
- “Suppliers’ Code of Ethics”;
- *Manual Operative Instruction (MOI) - Supplier Qualification and Assessment.*

In any case, it is expressly prohibited to:

- make cash donations to private entities;
- promise or distribute, solicit or receive gifts and presents beyond what is envisaged in normal company practice (i.e. any form of gift offered or received, exceeding normal commercial practices or courtesy, or in any case aimed at acquiring favourable treatment in the conduct of any business activity). In particular, any form of gift to private entities and their relatives that may influence their independence of judgment or lead them to give any advantage to the Company, is prohibited. Gifts that are permitted are always characterised by their negligible value or those aimed at promoting artistic initiatives. Gifts offered - except those of modest value - must be adequately documented in order to facilitate the necessary checks;

- promise or agree other benefits of any nature (promises of recruitment, use of company assets, etc.) in favour of private entities that may lead to the same consequences envisaged in the previous point;
- receive benefits of any nature, exceeding normal commercial practices or courtesy, or in any case aimed at acquiring undue favourable treatment in the conduct of any business activity;
- incur entertaining expenses not based upon criteria of reasonableness or in the absence of actual business purposes;
- make “*facilitation payments*”, namely unofficial payments of small value with the aim of expediting, facilitating or guaranteeing the performance of a routine activity or in any case forming part of the duties of the private entities with which DNIT holds relationships;
- provide performance in favour of commercial partners and/or consultants that are not adequately justified in the context of the associative relationship established with the same;
- make payments in favour of external collaborators that are not adequately justified in relation to the type of assignment to be carried out and existing practices.

For the purposes of the implementation of the conduct outlined above:

- the company participates in the centralised treasury management program (*cash pooling*) carried out by the Parent Company;
- the agreements with Partners and/or other third parties are defined in writing, highlighting all terms of that agreement - with particular regard to the agreed financial terms - and are verified and approved based upon existing procedures and in respect of the powers granted;
- those who carry out a role of control and supervision of fulfilments related to the performance of the aforementioned activities (payment of invoices, allocation of funding obtained from the State or from EU bodies, etc.) must pay particular attention to the implementation of those fulfilments and report immediately to the SB any situations of irregularity; relationships with subsidiary companies, direct or indirect, must be managed in respect of principles of management autonomy, fairness, transparency and effectiveness;
- any situations of uncertainty in relation to the conduct to be implemented, in the interpretation of existing legislation and internal procedures must be submitted to the attention of the hierarchical superior and/or the SB.

DUTIES OF THE SB

With regard to prevention and supervision, in relation to the risk of committing corporate crimes, the duties of the SB will be the following:

- in general, the SB will monitor the effectiveness and adequacy of this Special Section, proposing to the Board of Directors the due modifications and all adjustments considered appropriate;
- with regard to corporate communications and, in particular, the financial statements, the SB duties are focused on:
 - monitoring the effectiveness and implementation of the internal procedures to prevent crimes of false corporate communications;
 - examination of any report and proposal originating from the corporate bodies, managers or employees and performance of all necessary assessments;
 - constant supervision of the effectiveness of the control implemented by the Sole Auditor;
- with regard to the other at-risk activities:
 - examination of any report and proposal originating from the corporate bodies, managers or employees and performance of all assessments considered necessary.

It is also the duty of the SB:

- to monitor that the heads of the areas at risk of crime are aware of the duties and tasks connected to the control of the area for the purposes of preventing the commission of the crimes in question;
- to verify periodically - with the support of the other competent functions - the system of delegations in force, recommending changes if the power of management and/or qualification does not correspond to powers of representation granted to the internal manager or to the deputy managers;
- to indicate to the Board of Directors any additions to the financial and accounting management system adopted by the Company in order to highlight suitable measures to identify the existence of any atypical financial flows subject to margins of discretion;
- to verify periodically, with the support of the other competent functions, the validity of appropriate standard clauses aimed at ensuring:
 - respect by external collaborators and partners of the Model and the Code of Ethics;
 - the implementation of sanction mechanisms (such as withdrawal from the contract in relation to Partners or external Collaborators) if violations of the requirements are ascertained.

The Supervisory Body, in carrying out the aforementioned activities, has the right to access all company documentation available in that regard with no obligation to provide prior notice.

CHAPTER 4

CRIMES AGAINST THE PUBLIC ADMINISTRATION

Articles 24 and 25 of the Decree identify different circumstances of crime that may be implemented as part of relationships with the Public Administration.

According to provisions of the Italian Criminal Code:

- in accordance with Art. 357, 1st paragraph of the Italian Criminal Code, *public officials* are considered to be those who exercise a public legislative, judicial or administrative function;
- in accordance with Art. 358 of the Italian Criminal Code, “*public servants*” are those who, in any capacity, perform a public service. Public service means an activity regulated in the same manner as a public function, but characterised by the absence of powers typical of the latter, and excluding the conduct of simple ordinary duties and the performance of merely material work.

Below is a brief description of the crimes that may theoretically be committed as part of the activity performed by DNIT:

Misuse of money to the detriment of the State (Art. 316 *bis* of the Italian Criminal Code) –

That crime materialises when a person, extraneous to the Public Administration, has obtained the payment, from the State or another Public Entity or the European Communities, of contributions, grants or funding intended for the implementation of works or the conduct of activities in the public interest, but has not used them for those purposes.

Undue receipt of payments to the detriment to the State (Art. 316 *ter* of the Italian Criminal Code) –

That crime materialises when a person has obtained contributions, funds, assisted loans or other payments of a similar nature, from the State or other Public Bodies or from the European Communities, by using or submitting false declarations or documents or those certifying false facts, or by omitting due information.

Misappropriation (Art. 317 of the Italian Criminal Code) –

This type of crime materialises when the public official, abusing his/her capacity or powers, forces a person to give or promise unduly, to him/her or to a third party, cash or other utilities.

Corruption in carrying out duties (Art. 318 of the Italian Criminal Code) –

This type of crime materialises when a private entity promises or gives unduly to a public official, for itself or for a third party, cash or other utilities (e.g. a gift in kind) for the exercise of his/her functions or powers (e.g. to give precedence to specific cases over others or to “facilitate/expedite” the case itself). The criminal rule punishes both the corrupted person and the corrupter.

Corruption for an act contrary to official duties (Art. 319 of the Italian Criminal Code) –

This type of crime materialises when a private entity gives or promises to a public official, for him/herself or for a third party, cash or other utilities (e.g. donations in kind) to omit or delay, or to have omitted or delayed, an act of his/her role, or to complete or have completed an act contrary to official duties (for example, during a tax audit by the Tax Authority, paying or promising sums of cash or other

assets in kind, to officials of the Tax Police, so that they omit some tax audits). Once again in this case, the criminal rule punishes both the corrupted person and the corruptor.

Corruption in judicial deeds (Art. 319 *ter* of the Italian Criminal Code) – This rule punishes anyone who implements acts of corruption such as those described in the previous rules with the aim of facilitating or damaging a party in civil, criminal or administrative proceedings (usually a magistrate) involving the Company itself or a third party.

Undue inducement to give or promise utilities (Art. 319 *quater* of the Italian Criminal Code) – This type of crime occurs when, except where the act constitutes a more serious crime, a public official or a public servant, in abuse of his/her capacity or powers, induces the employee or representative of the Company to give or promise unduly, to him/her or to a third party, cash or other utilities. Once again in this case the criminal rule punishes both entities involved.

Corruption of a public servant (Art. 320 of the Italian Criminal Code) – This type of crime materialises when the corruption in carrying out a duty or through an act contrary to official duties concerns a public servant.

Instigation to corruption (Art. 322 of the Italian Criminal Code) - This type of crime materialises when a private entity offers or promises cash or other utilities not due to a public official or to a public servant for the exercise of his/her functions or powers, but the offer or promise is not accepted. The crime also occurs even if the promise or offer is made to induce a public official or public servant to omit or delay an official act, or to perform an act contrary to his/her duties, if the offer is not accepted,

Embezzlement, misappropriation, undue inducement to give or promise utilities, corruption and instigation to corruption of members of the International Criminal Court or the bodies of the European Communities and officials of the European Communities and of foreign states (Art. 322 *bis* of the Italian Criminal Code) This type of crime materialises when an employee or representative of the Entity commits crimes of corruption and instigation to corruption towards members of the Community institutions (International Criminal Court, European Commission, European Parliament, Court of Justice, Court of Auditors).

Trafficking of illegal influences (Art. 346-bis of the Italian Criminal Code) – This type of crime materialises when a person makes others give or promise unduly cash or other utilities, to themselves or to others, exploiting or taking advantage of existing or alleged relationships with a public official or a public servant or members of the International Criminal Court or the bodies of the European Communities or officials of the European Communities and of foreign states, as the price for their intermediation towards any one of the entities indicated above or to remunerate any one of them in relation to the exercise of their functions or powers.

Fraud in detriment to the State or another public entity or the European Union (Art. 640 of the Italian Criminal Code) – This type of crime applies when any person, through artifice or deception (e.g. by producing false documents), misleads the State or a public body, obtaining a profit from the same and causing, at the same time, damage to the State or to the public body.

Aggravated fraud to obtain public funds (Art. 640 *bis* of the Italian Criminal Code) – This type of crime applies when a Company representative, through artifice or deception (e.g. by producing false documents), misleads the State or a public body or Community Institutions, obtaining contributions, funding, subsidised loans or other payments of that nature.

Cyber fraud (Art. 640 *ter* of the Italian Criminal Code) – This type of crime occurs when, by altering in any way, without authorisation, the functioning of an IT system, an unjust profit is obtained in detriment to others.

Fraud in public supplies (Art. 356 of the Italian Criminal Code) - This type of crime occurs in the case of fraudulent execution of a supply contract with the State, public body or enterprise performing a public service, i.e. in the delivery of items or works that do not comply, in whole or in part, with that contractually envisaged.

RECIPIENTS OF THE SPECIAL SECTION

This Special Section is aimed at members of the corporate bodies, at employees operating in the at-risk areas, in other words in relationships with the Public Administration.

It is worth noting that such wording may also include private entities subject to public control which exercise administrative functions, activities related to the production of goods and services in favour of the public administrations and/or management of public services²².

The rules of conduct envisaged therein are extended to and must be respected also by any external collaborators of DNIT, who, as envisaged by the General Section of the Model, must also be made aware of its content.

RISK AREAS

The crimes considered have as a prerequisite the establishment of relationships with the Public Administration (considered in the broad sense and including also subsidiary companies of the public administration of foreign states).

The following must, therefore, be considered at-risk areas:

- management of relationships with public institutions and bodies aimed at the participation in public procurements for the design and supply of water treatment systems, equipment and/or services;
- management of relationships with public institutions and bodies aimed at the concession of funding, grants and/or contributions for research and development;
- management of relationships with public institutions and entities in relation to requests for administrative measures, licences and authorisations, other communications to public entities;
- management of judicial and extrajudicial litigation;
- management of accounting and taxes (tax declarations and any controls on the correct keeping of records and on tax amounts);
- administration, finance, accounting, tax (particular attention must be paid to sectors that involve the outgoing payment of funds, such as order management and invoices payable);
- management of consultancy and professional performance contracts;

²² Cf. ANAC, *Guidelines for the implementation of the rules on preventing corruption, and transparency of companies and private entities controlled and invested by the PA and public financial bodies*, Decision no. 8/2015, in www.anticorruzione.it, 22.

Any additions to the indicated as at-risk areas may always be made by the Board of Directors, also on the opinion and at the proposal of the SB.

CONTROL MEASURES

All sensitive activities must be carried out in conformity with the laws in force, the Code of Ethics, the principles of *Corporate Governance* of the Company, in addition to the rules contained in this Model.

To that end, DNIT has established organisational tools responding to the internal control principles, such as formalisation and clarity, communication and separation of roles, in particular, as regards the attribution of responsibilities, representation and definition of the hierarchical lines of the operating activities.

One of the organisational and control instruments, operating within the Company, is the system of delegations and powers of attorney, which defines the activities and responsibilities of the organisational units, in order to achieve a clearly structured and efficient management of the company activities.

The basic principles of the system of delegations, identifiable in the need to avoid the excessive concentration of powers in a single entity, as well as to separate the responsibilities in duties and in functions, meet the purpose of preventing so-called legal risks, including, *in primis*, the risk of incurring corporate liability resulting from a crime regulated by Italian Legislative Decree 231/01.

“Delegation of power” means the conferment of a power of management, namely the attribution of functions and duties as recorded by the flow chart of company processes, which is constantly updated.

CODE OF CONDUCT

In undertaking and managing relationships with the Public Administration (during any participation in public procurements, management of relationships with the judicial, administrative and financial authorities in requests for and management of authorisations, requests for public funding, licences and administrative concessions, in personnel management, as well as, more generally, in any relationship, even indirect, with the Public Administration), all those who operate on behalf of the Company must comply with the following principles:

- respect of the principles of fairness and transparency and guarantee of the integrity and reputation of the parties;
- respect of laws and regulations in force, ethical principles and existing procedures;
- traceability and documentation of relationships held with public officers;
- personal contacts with public officers must occur exclusively by authorised persons in line with the assigned organisational responsibilities;
- communications sent to the Public Administration must be signed in respect of the powers granted;
- respect of company responsibilities and the system of delegations in place, also with reference to the expenditure limits relating to the functions and methods of managing financial resources;
- correct use of IT procedures;
- the relationships in question must be managed exclusively by the competent company functions.

In performing the aforementioned activities, it is expressly prohibited for all members of the corporate bodies and employees, directly, and for all external collaborators, by way of specific contractual clauses, to:

- promise or offer, also through a third party, gifts, assets or other utilities to public officials or public servants, in relation to the completion of official acts;
- submit untrue declarations or documentation to national or Community public bodies in order to obtain public funding, contributions or subsidised loans;
- make cash payments to public officers;
- allocate sums received from national or Community public bodies by way of funds, contributions or loans for purposes other than those for which they were intended;
- agree or even simply promise other benefits of any nature in favour of representatives of the Public Administration;
- provide services in favour of the Public Administration that are not adequately justified in specific relationships of a contractual nature;
- pay fees in favour of external collaborators that are not adequately justified in relation to the type of assignment that they must perform and that involve a relationship with the Public Administration;
- distribute any gift to Italian and foreign public officers or their relatives, which may influence their independence of judgement or lead them to provide any advantage to the company.

Those who are involved in the aforementioned risk areas are required to oversee the fulfilments related to those activities and to report immediately any irregularities or anomalies.

Furthermore, any person responsible for a risk operation must communicate immediately to the SB any “suspicious” situation, meaning any fact or circumstance that has come to his/her attention which presents profiles of irregularity.

All documentation relating to the participation in public procurements and requests for concessions, loans and/or public funding, along with all documentation certifying the use of the funds received, must be stored in a specific archive by the head of the relevant structure.

DUTIES OF THE SB

The Supervisory Body has the power to perform specific checks, even as a result of reports received; the Body also has the right to access all company documentation available in the matter, with no obligation to provide prior notice.

The Company has also established, at the request of the Supervisory Body, information flows functional to the acquisition of useful information for monitoring sensitive activities relating to relationships with the Public Administration.

In particular, the Supervisory Body must be informed through a written note of any critical area or conflict of interest that has arisen or is arising as part of the relationship with the PA.

It is the duty of the SB:

- to monitor that the heads of the areas at risk of crime are aware of the duties and tasks connected to the control of the area for the purposes of preventing the commission of the crimes in question;
- to verify respect, implementation and adjustment of the Model consistently with the need to prevent the commission of the crimes in question;
- to oversee the effective application of the Model and to identify behavioural deviations that may emerge from the analysis of information flows and reports received;

- to analyse any report that is received in relation to possible violations of this Special Section or relating to the commission of illegal acts or even just "suspicious" acts, preparing a specific report to be sent to the Board of Directors and proposing, if necessary, the adoption of the appropriate disciplinary measures;
- to verify periodically - with the support of the other competent functions - the system of delegations in force, recommending changes if the power of management and/or qualification does not correspond to powers of representation granted to the internal manager or to the deputy managers;
- to verify periodically, with the support of the other competent functions, the validity of appropriate standard clauses aimed at:
 - the observance by external collaborators and partners of the Model and the Code of Ethics;
 - the possibility of performing effective control actions in relation to the Recipients of the Model in order to verify respect of the requirements contained therein;
 - the implementation of sanction mechanisms (such as withdrawal from the contract in relation to Partners or external Collaborators) if violations of the requirements are ascertained.

The Supervisory Body, in carrying out the activities indicated above, may make use of all competent resources in that regard.

CHAPTER 5

CRIMES IN RELATION TO WORKPLACE SAFETY

Art. 25 septies of Italian Legislative Decree 231/01 regulates the liability of the Company for a number of crimes linked to the failure to observe safety rules, envisaging, inter alia, the application of bans in addition to financial penalties. The crimes considered by the Decree are the following:

Manslaughter and Serious Personal Injury or Grievous Bodily Harm, committed in violation of the rules on workplace health and safety (Articles 589 and 590 of the Italian Criminal Code²³) - Those circumstances of crime are constituted in the case of death or Serious Personal Injury or Grievous Bodily Harm to an employee, consequent to a violation of the workplace safety rules.

Workplace safety is definitely one of the aspects requiring the greatest attention for DNIT. To that end, in respect of the criteria established by Art. 30 of Italian Legislative Decree 81/08, it has identified, within the company organisational structure, the responsibilities, procedures, processes and resources to implement the company prevention policy, in respect of existing health and safety rules.

Without prejudice to respect of the rules of law in force, this Model:

- facilitates the adaptation to the evolution of laws, regulations and rules of good practice;
- involves workers and their representatives in the implementation of what is required from companies in terms of safety.

The criteria established in that part of the Model, in line with what is indicated by Art. 30 of Italian Legislative Decree 81/08, must be seen as an integral part of the overall supervisory system established by Italian Legislative Decree 81/2008 and they apply to the whole company and to all activities conducted by it.

In particular, the recipients are:

- the Directors;
- the Managers;
- the Supervisors;
- the Employees;
- the external Collaborators who operate under the management and supervision of company personnel.

They are required to supervise the effective observance of the procedures and the adoption of adequate prevention and protection measures, promptly communicating to the Employer and/or to the Head of the Prevention and Protection Service any exceptions and critical issues.

The company organisational structure in relation to the management of workplace health and safety involves duties and responsibilities defined and attributed in line with the Company's overall organisational structure.

By virtue of this structure, the Company:

- ♦ issues procedures/orders aimed at defining formally the duties and responsibilities in relation to safety;

²³ The articles of law cited above are reproduced in the regulatory Appendix attached to this Model.

- monitors workplace accidents and regulates communication activity with INAIL, in line with legal provisions;
- monitors occupational diseases and regulates the communication activity of the respective data to the National Register for occupational diseases established at the INAIL database;
- adopts a procedure/internal order for organising preventive and periodic health checks;
- adopts a procedure/internal order for managing first aid, emergencies, evacuations and fire prevention;
- adopts procedures/orders for the administrative management of cases of accidents and occupational diseases.

As part of the clear definition of the specific functions in relation to workplace health and safety, the Company has identified the set of individuals engaged in the supervision activities and the implementation of the planned safety measures, granting a specific delegation in that regard, with the methods and limits indicated in Art 16 of Italian Legislative Decree 81/08.

In particular, the company Prevention and Protection System (PPS) is made up of:

- the Employer, identified by the Board of Directors as the figure having adequate organisational, decision-making and expenditure powers, in charge of coordinating all stakeholders and the respective activities under the remit of the PPS;
- the Delegated Manager, identified by way of a specific deed of delegation issued by the employer, granted responsibility for implementing some of the measures envisaged for the prevention and protection of the health and safety of workers;
- the Head of the Prevention and Protection Service (HPPS), appointed by the Employer subject to consulting with the Workers' Safety Representative (WSR). In DNIT, the HPPS is an external individual and the granting of the assignment and the respective acceptance by the latter is formalised in a specific contract;
- the Company Doctor in charge of guaranteeing respect of the provisions on workplace safety;
- the Workers' Safety Representative (WSR), identified and designated by all Employees with methods compliant with the national collective labour agreement for the industry;
- the Supervisor, as a figure identified by the Employer within each organisational unit who, based upon the hierarchical powers functional to the nature of the assignment granted to him/her, supervises the working activity of the resources assigned to the same and guarantees that the directives received are implemented, checking their correct execution by workers and performing a functional power of initiative;
- the emergency and first aid Officers, identified and designated by the Employer (or Employer's Delegate);

The overall and documented assessment of all risks to the health and safety of workers present within the organisation is carried out by the Employer, in collaboration with the members of the Prevention and Protection Service, and is formalised in the “*Risk Assessment Document at a certified date*”, as required by the regulations in force in that regard; that document, as well as detailing the organisational structure in charge of preventing the crimes in question, identifies and assesses at a certified date the risks within the workplaces related to the protection of workplace health and safety, also assessing the potential hazards identified.

Any workplace accidents are reported by the Personnel Department to the Employer, who, in turn, informs the Supervisory Body pursuant to Italian Legislative Decree 231/01, also for the purposes of proposals of update to the Model and the subsequent *follow-up* on any additional measures adopted.

The Employer monitors the effectiveness and efficiency of the safety management system by way of periodic meetings, at least annually, at which the following persons attend, in addition to the Employer:

- The Head of the Prevention and Protection Service;
- The Company Doctor;
- The Workers' Safety Representative;

During those meetings, the following are assessed:

- the “*Risk Assessment Document*”;
- the trend of accidents and occupational diseases and health supervision;
- the criteria of choice, the technical characteristics and the effectiveness of personal protective equipment;
- the information and training programs of managers, supervisors and workers for the purposes of safety and health protection.

In accordance with Art. 41 of Italian Legislative Decree 81/08, the Company Doctor organises health supervision.

The Company constantly oversees the training level of employees on workplace safety, regularly planning information/training sessions aimed at all employees (including managers) on Italian Legislative Decree 81/08, as well as periodically updating the training of first aid officers, fire prevention offices and the WSR. Together with the prevention and safety measures (known as static), DNIT constantly informs its workers on the risks of the working activity, training them on the suitable measures to avoid risks or to minimise them (implementing the necessary forms of subjective protection).

With regard to activities supplied by providers of services based upon works contracts, the respective methods of managing and coordinating the works are formalised in specific contractual clauses, forming an integral part of the works contract, which expressly refer to the fulfilments indicated in Art. 26 of Italian Legislative Decree 81/08.

RISK AREAS

The DNIT registered office is in Via Bistolfi no. 35, Milan, where the offices are located, while the operating office is in Via Piemonte 26, Cologno Monzese.

The Head of the Prevention and Protection Service, the Managers, the Company Doctor, the Workers' Safety Representatives - all in possession of the requirements envisaged by law - for both sites are formally appointed and the declarations of appointment are stored in specific archives.

In referring for further information to the approved RAD, with reference to the “risk areas” at the different “workplaces”, the following is specified:

a) Via Bistolfi no. 35, Milan - Offices

The administrative offices are based in Via Bistolfi no. 35, Milan (where various companies forming part of the same De Nora Group operate, including the parent company itself), in addition to the purchasing/production/planning and quality assurance offices.

Based upon the Risk Assessment, at the Milan site, two working roles which expose workers to specific risks have been identified. These are: *Office employee operator* and *Technical employee operator* (in the commercial sector):

- the role of *Office employee operator* refers to workers who work in the office using video terminals, for activities linked to telephone communications and management of activities related to design and production;
- the role of *Technical employee operator* refers to workers who work in the office using video terminals, for activities linked to telephone communications and management of activities connected to design and production and sometimes at the offices of customers; that activity does not involve operational interventions.

The risk areas considered are the following:

1. *Workplaces*

The risk factors are those connected to the structural characteristics of the workplaces, including those linked to possible movements of workers. The measures implemented consider, as appropriate, the pertinent processes established by Annex IV to Italian Legislative Decree 81/08, on the various prevention aspects which can be summarised as follows: work surfaces and workspace, floors, traffic routes, flooring and corridors, emergency exits, fixed stairways, workplaces and passageways, external workplaces, sanitation services and first aid.

2. *Electrical Risk*

The assessment of the electrical risk was carried out by way of an inspection of the materials, equipment and electrical components installed and by analysing the technical documents for the electrical systems installed (declaration of conformity, design, approvals, etc.). That analysis was performed, without prejudice to the legislative and regulatory provisions incorporating the Community product directives, taking into consideration the rules of good practice indicated in Annex IX to Italian Legislative Decree 81/08.

3. *Fire and other emergencies*

The company has installed, in conformity with existing fire prevention legislation, various active and passive systems to protect the premises. The protection systems are regularly subjected to operation tests, inspection and maintenance by external qualified personnel. The emergency officers have been duly designated and trained. The “Emergency and Evacuation Plan” is also present, which forms an integral part of this RAD.

4. *Pregnant workers, workers who have recently given birth or are breastfeeding*

The risk factors are linked to the health and safety of pregnant workers, workers who have recently given birth or are breastfeeding up to seven months after the birth; in particular, risks of exposure to physical, chemical or biological agents, work processes or conditions according to that established by the legislation in force and considered in the RAD.

5. *Travelling workers*

The performance of travelling workers is characterised by the fact that they are not limited to a habitual workplace but their work is conducted in a certain local area, defined contractually, based upon the employer's production and organisational requirements. One of the most important aspects linked to the absence of colleagues or people in the immediate vicinity is that related to first aid; for accidents in general. In fact, one of the most important aspects is linked to the intervention time, the possibility of reaching the injured party quickly prevents the deterioration of the worker's clinical conditions. An isolated worker may even have difficulty in communicating his/her need for help, as well as having to wait for the assistance of third party rescuers; further information is indicated in the RAD.

6. *Work abroad*

The provisions in force on workplace health and safety in our country are classified as mandatory rules, in view of their purpose of prevention of the fundamental rights of health and safety; they must be applied and must also be observed in the destination country of the activity. Therefore, if personnel are sent abroad to work in an EU or non-EU country, this does not mean that the Italian rules, indicated in the RAD, no longer apply.

With reference to the **fire risk**, the latter has been assessed in accordance with the provisions of existing regulations and the outcome of the assessment is to classify that risk as “low”.

Some behavioural rules have also been outlined for personnel in the case of emergencies involving the immediate evacuation of the offices, containing the named indication of the personnel in charge of managing the emergency (“Conduct of personnel in the event of an emergency”).

b) Via Piemonte no. 26, Cologno Monzese – Production plant

At the site located at Viale Piemonte, 26 – postcode 20134 – Cologno Monzese (MI), the Company performs activity of: production of fibres for diaphragm chlor-alkali systems, creation of titanium and nickel products, mechanical repairs. There are the following departments: *PMX-SM2 Production Area*; *Mechanical Workshop Area*; *Warehouse Area*; *Offices Area*; *Quality Control Laboratory Area* and *External Areas*, which are spread around a complex of mixed-type warehouses, not owned, mainly of industrial nature.

The expansion of the markets and the progressive internationalisation of the Company has also led to the need to assess the possibility of sending workers away on business and to manage safety issues linked to the most widespread contractual circumstances, which are:

- *travel/business trips in Italy*: temporary transfer of De Nora Italy S.r.l. workers to different offices from those in which they normally work; this is necessary for requirements linked to controls or checks of products at customers' premises;
- *secondment*: to meet certain work requirements, De Nora Italy S.r.l. (*seconding company*), may employ a number of seconded workers. In such as case, all prevention and protection obligations for the purposes of Article 30 of Italian Legislative Decree no. 276 of 10 September 2003 (as amended) are the responsibility of the host company, without prejudice to the obligation for the seconding company to inform and train the worker on the typical risks generally related to the conduct of the duties for which he/she is seconded”.

Based upon the Risk Assessment, at the Cologno Monzese site, the jobs that expose workers to specific risks have been identified. These are: Office employee operator, Workshop operator, Travelling tester operator, Maintenance operator, PMX-SM2 operator, Warehouse operator and Quality control operator:

- the role of Office employee operator refers to workers who work in the office using video terminals, for activities linked to telephone communications and management of activities connected to design and production;
- the role of Workshop operator refers to workers who work in the area known as the workshop, where electrodes and electrolyzers in Ti and Ni are produced for electrochemical systems, mainly using machine tools; they carry out processes on mechanical parts of small and large dimensions, through turning, milling, drilling and grinding operations;
- the role of Travelling tester operator refers to workers who work in the office using video terminals, for activities linked to telephone communications and management of activities connected to testing and production; these tasks are at times carried out at the offices of customers; the activities do not involve operational interventions;
- the role of Maintenance operator refers to workers who carry out technical-manual operations of specialist nature such as installation, running, repair and maintenance of systems and equipment that require specific knowledge, even coordinating - from the operational perspective - other personnel. In this role, those workers carry out corrective

maintenance or necessary maintenance, preventive maintenance and improvement maintenance interventions;

- the role of *PMX-SM2 Operator* refers to workers who work in the area known as the production department, where, using machines and/or specific systems, the following are produced: PMX: raw material for the production of separators for electrochemical chlor-alkali diaphragm cells; SM2: raw material for the production of separators for traditional electrochemical chlor-alkali cells;
- the role of *Warehouse operator* refers to workers who work in the area known as the warehouse and carry out the movement of materials using manual trolleys, electrical pallet trucks or electric forklifts;
- the role of *Quality control operator* refers to workers who manage the quality of the products created, namely implementing all acts and initiatives that allow for the quality standards required by management to be defined and kept under control.

The risk areas considered are the following:

1. *Workplaces*

The risk factors are those connected to the structural characteristics of the workplaces, including those linked to possible movements of workers. The measures implemented consider, as appropriate, the pertinent processes established by Annex IV to Italian Legislative Decree 81/08, on the various prevention aspects which can be summarised as follows: work surfaces and workspace, floors, traffic routes, flooring and corridors, emergency exits, fixed stairways, workplaces and passageways, external workplaces; rest and dining rooms; changing rooms and clothing lockers, sanitation and first aid, as indicated in the RAD.

2. *Electrical Risk*

The electrical risk was assessed by way of an inspection of the materials, equipment and electrical components installed and by analysing the technical documents relating to the electrical systems (declaration of conformity, design, approvals, etc.). That analysis was performed, without prejudice to legislative and regulatory provisions incorporating the Community product directives, taking into consideration the rules of good practice indicated in Annex IX to Italian Legislative Decree 81/08, as identified in the RAD.

3. *Fire and other emergencies*

The company has installed, in conformity with existing fire prevention legislation, various active and passive systems to protect the premises. The protection systems are regularly tested, inspected and maintained by external qualified personnel. The emergency officers have been duly designated and trained. The “Emergency and Evacuation Plan” is also present, which forms an integral part of this RAD, as indicated in the RAD.

4. *Means of transport*

The risk assessment was carried out taking into consideration the possibilities of collisions between transiting vehicles, between vehicles and pedestrians, as well as the risks deriving from any malfunctioning of the means of transport used. The risk assessment on the use of means of transport is also linked to the journey that each employee makes daily, as indicated in the RAD.

5. *Machines and equipment*

There are two fundamental principles on which the risk assessment for the correct management, for workplace health and safety purposes, of the work equipment is based, which are inseparable: correct design of the equipment, for health and safety purposes; correct use of work equipment, as indicated in the RAD. In particular, the risks linked to the use of the work equipment may determine the exposure of workers to hazards generated:

- a) **by:** human error, human behaviour, unauthorised start-up/use;

- b) **by moving parts:** impacts, dragging, crushing, shearing, cuts, abrasions, dragging, entanglement, compression, etc.;
- c) **by the possible projection of materials:** shavings, lubricating liquids, tools or chips of them, pieces being worked;
- d) **by:** noise, vibrations, electromagnetic fields;
- e) **by thermal stresses:** they cause burns and scalds or other injuries from possible contact with objects or materials at high temperature;
- f) **by electricity:** contacts with live elements, electrostatic phenomena, thermal radiation, etc.;
- g) **by failure to observe ergonomic principles:** harmful positions or excessive effort;
- h) **by:** inadvertent start-ups, other causes that increase speed or in any case defects/malfunctioning.

6. Lifting equipment

In choosing the lifting equipment, the risks to workers were considered, taking account: of the conditions and specific characteristics of the work to be performed; of the risks present in the workplace; of the risks deriving from use of the equipment itself; of the use and maintenance manual; of the risks deriving from any interference with other equipment already in use; see indications contained in the RAD.

7. Chemical agents

The risk analysis was applied to all hazardous chemical agents present in the workplace, also considering the risks deriving from work activities that involve exposure to several hazardous chemical agents simultaneously, as indicated in the RAD.

8. Work at height

With regard to temporary works at height, namely those that expose the worker to the risk of falling from a height of more than 2 metres from the floor, the risks have been assessed and the equipment and measures have been identified to guarantee ergonomic and safe conditions, as indicated in the RAD.

9. Travelling work

Travelling workers are not limited to a habitual workplace but carry out their work in a certain territorial area, defined contractually, based upon the employer's production and organisational requirements. One of the most important aspects linked to the absence of colleagues and people in the immediate vicinity is that related to first aid; for accidents in general, in fact, one of the most important aspects concerns the intervention time, as the possibility of reaching the injured person quickly prevents the worker's clinical conditions from deteriorating. An isolated worker may even have difficulty in communicating his/her need for help, as well as having to wait for the assistance of third party rescuers; further information is indicated in the RAD.

10. Work abroad

The provisions in force on workplace health and safety in our country are classified as mandatory rules, in view of their purpose of prevention of the fundamental rights of health and safety, whose application is necessary, and which must also be observed in the country of destination of the activity. Therefore, the transfer of personnel abroad to a Community or non-EU country does not mean that the imperative Italian rules, as indicated in the RAD, no longer apply.

11. Pregnant workers, workers who have recently given birth or are breastfeeding

The risk factors are linked to the health and safety of pregnant workers, workers who have recently given birth or are breastfeeding up to seven months after the birth; in particular, risks of exposure to physical, chemical or biological agents, work processes or conditions according to what is established by the legislation in force and considered in the RAD.

12. Environments suspected of pollution or confined spaces

In the company there are no environments suspected of pollution or confined spaces. The risk has been considered with regard to activities carried out at external sites and construction sites,

as indicated in the RAD.

13. Noise

The assessment of exposure to noise in the various company areas was aimed at verifying the existence of any area with noise levels higher than 80 dB(A) (lower action value) and assessing the extent of workers' daily personal exposure to noise, as envisaged by Italian Legislative Decree no. 81/08, as indicated in the RAD.

14. Vibrations

The assessment of the risk linked to vibrations took account of the limit values of reference for both vibrations transmitted to the whole body and for those transmitted to the hand-arm system, as indicated in the RAD.

15. Electromagnetic fields

The assessment was carried out identifying the machines, systems and processes which are the source of potential electromagnetic fields and analysing their conditions by consulting banks and instrumental surveys, as indicated in the RAD.

RECIPIENTS OF THE SPECIAL SECTION

This special section is aimed at those persons who, by regulatory provision or contractual deed, assume within the Company a position of guarantee in relation to workers (employer, managers, supervisors), for the precise purpose of guaranteeing and ensuring workplace health and safety during work. The intended recipients of this Model are also to be considered all DNIT employees.

CODE OF CONDUCT

General code of conduct

The general principles aimed at preventing crimes of manslaughter and serious personal injury or grievous bodily harm, committed in violation of the accident-prevention rules and protection of health at work are indicated below.

It is the Company's duty:

- to guarantee fulfilments in relation to the health and safety of workers in the workplace, assessing the choice of equipment present in the workplaces;
- to check that all planned prevention and protection measures are implemented, guaranteeing that risk situations are constantly monitored;
- to deal with updating the Risk Assessment Document in accordance with Art. 17 of Italian Legislative Decree no. 81 of 2008 in relation to organisational and production changes relevant to the safety of workers, to any reports by the Company Doctor or in the event of supervening legislative changes;
- to provide adequate and continuous information to employees with regard to the specific risks of the company in general and their specific duties in particular, on the consequences of those risks and on the prevention and protection measures adopted;
- in particular, in conformity with the provisions of the “*Onboarding Process*”, which is binding for all Group Companies, the Human Resources Department must guarantee, with the collaboration of the Prevention and Protection Service, that each new recruit is informed and trained:
 - on the concepts of risk, damage, prevention and protection;
 - on the company's organisational structure in relation to safety and, in particular, the names of the employer, the head of the Prevention and Protection Service, the company doctor and the workers' safety representatives;

- on the content of the evacuation and emergency plans;
- on the specific risks linked to their job within the company, by the supervisors based upon the respective areas of responsibility (the Head of the Human Resources Area must ensure that a report is drawn up of the new recruit's training, which will then be added to the employee's file);
- to store in specific archives the documentation certifying the employee training activity;
- to deal with updating the existing procedures and operating instructions with a view to defining formally the duties and responsibilities on safety, also with reference to procedures for managing first aid, emergencies and evacuation and fire prevention procedures already existing;
- to ensure that all employees are adequately informed of the procedures in place for emergencies and evacuations;
- to ensure that the managers, supervisors and all employees having specific duties in relation to prevention and protection receive specific training;
- to ensure that all employees always have the personal protective equipment required according to the nature of the activity performed. A report must be drawn up of the delivery of PPE, which must be retained in a specific archive;
- to ensure that workers undergo medical examinations and tests, in accordance with the Health Supervision program currently in force, by the Company Doctor;
- to organise periodic meetings between the functions in charge, which may also be attended by the Supervisory Body, by convening meetings and respective minute-taking;
- to archive and store all documentation produced, even electronically or online, relating to the execution of the fulfilments carried out as part of the risk management processes in relation to the health and safety of employees as well as the respective control activity.

All Company employees, as well as external collaborators, are obliged to:

- in conducting their duties, respect the rules and instructions imparted by the employer, by the managers and by the supervisors;
- comply scrupulously with the rules of law and, above all, the internal operating instructions on workplace safety;
- use correctly the machinery, equipment, tools, chemical substances present in the company;
- use the personal protective equipment recommended or made mandatory based upon the activity performed, and made available by the Company;
- attend training courses, when envisaged;
- undergo health checks planned for them in accordance with the deadlines set in the Health Supervision program by the Company Doctor;
- report to the persons in charge of respect of the safety rules or, in any case, to the SB any potential hazard situation that occurs or that is currently ascertained or considered.

Risk Assessment related to biological agents

The RAD also includes the biological risk among the specific risks.

The protection of the mental and physical integrity of employees, also from biological risks to which they are exposed in the conduct of their working activities, is a specific obligation for the employer. Biological pollutants or bio-contaminants means a variety of microorganisms, such as: viruses, bacteria, fungi, yeasts, protozoa, insects, biological material deriving from them and material of plant origin.

Microorganisms have been broken down into 4 hazard classes, with increasing values from one to four and of

which the fourth, the most hazardous, refers to microorganisms that contain all four negative characteristics considered, namely “*biological agent that can cause serious diseases in humans and constitutes a serious risk for workers and may present a high risk of propagation in the community; effective prophylactic or therapeutic measures are not usually available*”.

In that regard, as part of the activity carried out by DNIT the main risk of biological nature is definitely represented by situations of declared pandemic.

In fact, there is no doubt that the relevant regulations require the employer to adopt within its workplaces a series of protocols and measures to avoid the propagation of viruses between employees, all the more so if, as (e.g.) in the case of COVID 19, it concerns a very dangerous biological agent.

Protection measures in a state of declared pandemic and epidemiological crisis

If a pandemic or epidemiological crisis is declared by the national and/or international government institutions, DNIT, with the assistance of the company doctor and the HPPS, constantly monitors any specific urgent measures, orders and regulations adopted by the institutions, in order to be aware at all times of the instructions and guidelines to be followed to combine the continuation of the production activities with the guarantee of healthy and safe working conditions and methods.

During the continuing emergency situation, DNIT adjusts to legislative requirements, along with the specific Protocols envisaged by the relevant regulations and implements the necessary measures, based upon the so-called “*principle of maximum safety technologically feasible*”, according to which the employer, aside from specific regulatory requirements, bases its conduct on aspects of the best science and experience, to ensure that workers are placed in a condition to operate in absolute safety.

Some of the generic measures that may be implemented are, for example:

- regulate the methods of access to the company by employees, possibly performing a body temperature check (in respect of existing rules on privacy) or excluding access to those who have recently been in contact with persons testing positive for COVID-19;
- identify entry, transit and exit procedures for external suppliers, by pre-defined methods, routes and timescales, so as to reduce any contact with staff working in the departments/offices involved;
- ensure the premises are cleaned daily and sanitised periodically, along with the rooms, workstations, changing rooms and common and rest areas;
- ensure employees have personal protective equipment and implement personal hygiene precaution measures, providing them, in relation to work requirements, with masks, gloves, goggles, overalls, ear protectors, gowns compliant with the requirements of the scientific and healthcare authorities, as well as suitable hand sanitising gel;
- restrict access to common spaces, including the company canteens, smoking areas and changing rooms, ensuring the rooms are constantly ventilated, requiring people to remain only for a limited prior in those rooms and to maintain a distance of 1 metre from other persons in those rooms;
- plan reorganisation measures of the company activities, encouraging the use of digital alternatives (as well as facilitating so-called *smart working* for all those activities that can be carried out at home or remotely) that allow for conferences and work meetings to be attended remotely;
- limit travel to cases strictly necessary;
- guarantee a shift rota for production workers aimed at minimising contact and creating autonomous, separate and recognisable groups;
- establish a procedure for managing employees with Coronavirus symptoms, in order to isolate the relevant person, to provide him/her with a protective mask and to notify the competent health authorities which will carry out the necessary further interventions.

During the continuing pandemic situation, DNIT, as well as informing both its employees and anyone who enters the company of the anti-contagion measures adopted, also by affixing informative instructions at the entrance and in the most visible company locations, considers the mental-physical situation of employees, through periods of interaction between the same.

In order to ensure the implementation and respect of the cited measures, the company collaborates with the Parent Company, the management body, the persons responsible for workplace safety (HPPS, WSR and Company Doctor primarily) and the heads of human resources, also by establishing a specific “Task Force” which can act as a point of reference for employees, if needed.

DUTIES OF THE SB

In relation to the duties of the employer and the other persons required to comply with and apply the rules on health and safety of workers in the workplace, the duties of the SB will be the following:

- to oversee the correct fulfilment of the duties of persons found in a position of guarantee with respect to the protection of the safety of workers;
- to verify, when delegating powers in relation to workplace safety, the effectiveness of the powers held by the delegate, also with particular reference to the power of expenditure;
- to receive and examine any report from workers or any other person in the Company.
- to carry out control activities, even randomly, in relation both to the existence of adequate workplace health and safety measures, and to respect of the regulations on safety by workers.

The Supervisory Body has the powers to perform specific checks, even as a result of reports received; the Body also has the right to access all company documentation available in the matter, with no obligation to provide prior notice.

The Company has also established, at the request of the Supervisory Body, information flows suitable to allow the latter to acquire useful information to monitor accidents, critical issues and information on any ascertained or presumed occupational diseases. The Supervisory Body, in carrying out the activities indicated above, may make use of all competent resources in relation to workplace safety in the company.

The Supervisory Body is also responsible for assessing the effective connection between the various entities involved in the control system in accordance with the ‘231’ decree and the special regulations on workplace health and safety.

To that end, the HPPS sends his report on a half-yearly basis to the SB - and participates with the latter at meetings at least every six months - to ensure the Supervisory Body is fully informed on the area of safety.

In a pandemic situation, the role of the Supervisory Body is also significant as it must in fact promote the intensification of prompt reciprocal information flows with the Board of Directors and the other entities in charge of managing risk, as well as propose specific extraordinary checks on the preventive suitability of the workplace health and safety measures adopted.

During the continuing epidemiological crisis, DNIT implements specific information flows and internal reporting to the Supervisory Body of all initiatives undertaken by the company to protect

workers; information is sent with a suitable frequency, in view of the possible sudden evolution of the emergency situation, subject to the obligation to report immediately any major event.

CHAPTER 6

CYBER CRIMES

Cyber crimes that, in accordance with Art. 24 bis of Italian Legislative Decree 231/01, may theoretically occur in DNIT are the following:

Falsification of electronic documents (Art. 491 *bis* of the Italian Criminal Code) - This type of crime materialises when a Company representative produces, in whole or in part, a false electronic document or alters a true electronic document. For example, the Director alters the electronic records or private deeds or forms false documents that may be used as evidence.

Unauthorised access to a computer system (Art. 615 *ter* of the Italian Criminal Code) - This type of crime occurs when a person accesses a computer or electronic system protected by security measures or remains there against the express or tacit will of the person having the right to exclude them. For example, he/she accesses a system for which he/she validly has credentials, but for functions different from the authorised access, or accesses illegally using the credentials of an authorised person.

Unauthorised possession or dissemination of access codes to computer or electronic systems (Art. 615 *quater* of the Italian Criminal Code) - This type of crime occurs when a person, in order to obtain for themselves or others a profit, illegally obtains, reproduces, disseminates, communicates or delivers codes, keywords or other suitable means to access a computer or electronic system, protected by security measures, or in any case provides indications or instructions suitable for that purpose. For example, access codes to databases containing customer details of a competing company are obtained illegally.

Dissemination of equipment, devices or computer programs aimed at damaging or interrupting a computer or electronic system (Art. 615 *quinquies* of the Italian Criminal Code) - This type of crime occurs when a person, with the aim of unlawfully damaging a computer or electronic system, information, data or programs contained in it or relating to it or to interrupt, totally or partially, or alter its functioning, obtains, produces, reproduces, imports, disseminates, communicates, delivers or, in any case, makes available other equipment, devices or computer programs. For example, spreading a “virus” in order to damage a competing computer system.

Interception, impediment or illegal interruption of computer or electronic communications (Art. 617 *quater* of the Italian Criminal Code) - This type of crime occurs when a person fraudulently intercepts communications relating to a computer or electronic system or communications made between several systems, or impedes or interrupts them. For example, tampering with systems and impeding communications of the Company in order to pre-construct the reason for a late electronic transmission.

Installation of equipment aimed at intercepting, impeding or interrupting computer or electronic communications (Art. 617 *quinquies* of the Italian Criminal Code) - This type of crime occurs when a person, outside the scope of cases permitted by law, installs equipment aimed at intercepting, impeding or interrupting communications relating to a computer or electronic system or communications made between several systems. For example, the Director installs equipment in order to intercept communications between Employees, in order to obtain an advantage from them for the Company.

Damage to information, data and IT programs (Art. 635 *bis* of the Italian Criminal Code) -

This type of crime occurs when a person destroys, deteriorates, cancels, alters or suppresses information, data or IT programs. For example, the Director alters an IT program used for recording cash flows in view of an accounting audit.

Damage to information, data and IT programs used by the State or by another public entity or in any case of public utility (Art. 635 *ter* of the Italian Criminal Code) This type of crime materialises when a person commits an act aimed at destroying, deteriorating, cancelling, altering or suppressing information, data or IT programs used by the State or by another public entity or related to them, or in any case of public utility. For example, the Director alters an IT document requested by a public Entity.

Damage to computer or electronic systems (Art. 635 *quater* of the Italian Criminal Code) -

This type of crime materialises when a person, through the conduct indicated in Article 635-*bis* of the Italian Criminal Code, namely by introducing or transmitting data, information or programs, destroys, damages, renders, in whole or in part, unusable IT or electronic systems of others or seriously hinders their functioning. For example, accessing the IT system of a competing company in order to damage it.

Damage to computer or electronic systems of public utility (Art. 635 *quinquies* of the Italian Criminal Code) -

This type of crime materialises when a person, by introducing or transmitting data, information or programs, destroys, damages, renders, in whole or in part, unusable computer or electronic systems of public utility or seriously hinders their functioning. For example, introducing a “virus” into the IT system of a public Entity, damaging the system and eliminating a number of IT documents.

RISK AREAS

DNIT adopts a policy that is particularly attentive and strict with reference to the use by employees of the IT tools provided to them and, more generally, IT security.

It should be specified that it is prohibited within the company to use devices that increase the possibility of intercepting the communications of others.

That said, as the widespread use of IT tools is prevalent within the Company, the potential risk areas are all those that involve the use of information and/or electronic technologies and, in particular:

- management of the user profile and authentication process;
- management and protection of the IT workstation;
- management of company email accounts;
- management and control of external accesses;
- protection of the company networks;
- relationships with external parties by way of the IT system.

RECIPIENTS OF THE SPECIAL SECTION

Each operator possesses a personal area on the company server file. This special section is, therefore, directed at the shareholders, members of all corporate bodies and employees who use an IT tool and have access to the company network.

CODE OF CONDUCT

With regard to the use of systems, tools, documents or IT data, all those who operate on behalf of the Company are required to respect the procedures for managing IT security and for using IT and electronic tools currently in force in DNIT.

As part of the management of IT processes, the Parent Company Industrie De Nora S.p.A. has adopted an articulated system of binding procedures for all Group companies and, more specifically:

- “*Access Control*”;
- “*ICT Change Management*”;
- “*ICT Incident Manager*”;
- “*ICT Compliance*”.

In turn, the “*IT devices and systems regulation*” regulates the use of IT devices and systems (telephones, email, shared folders, internet, etc.) by all personnel of the Italian companies of the De Nora Group and external collaborators to whom, for any reason, a company device has been provided. In particular, according to existing company rules:

- access to data resources in electronic format occurs only via computers protected by username and password;
- for each computer and communication system, the user ID must uniquely identify only one user. for each system access authorisation levels are established as necessary;
- passwords must always be encrypted and must not be stored in legible format in places where unauthorised people may discover and/or use them;
- devices and programs must only be installed and updated by personnel instructed to do so;
- the servers are protected by corporate antivirus systems;
- any change of working status of employees within the Company (consultants, temporary or contracted) must be communicated immediately by the human resources department to the information system administrators involved;
- the Company exercises access control to the systems in protection of the integrity of the data which are kept on the computers and communication systems. The security manager and the network administrator may restrict or revoke any privilege for users; demand that the user deactivates or removes data, programs or other system resources that may threaten these objectives; consider any other solution necessary to manage and protect the IT system;
- the network units are areas for sharing purely professional information and they may not be used, in any way, for other purposes.

That said, the recipients of this special section must:

- take care of the IT resources assigned to them (desktop or laptop personal computers), store them appropriately and use them exclusively to carry out work activity;
- promptly report any theft or damage;
- change the password immediately if there is any suspicion that it has been disclosed, intercepted or known by unauthorised persons;
- report any security incidents (even concerning attacks on the IT system by external hackers), making available all documentation relating to the incident.

The recipients of this special section are expressly prohibited from:

- leaving their workstation unattended for lengthy periods;
- communicating to others, beyond the permitted cases, their identification code (User ID/Username) and password for accessing the company network;

- transcribing on paper or memorising on magnetic medium their identification code (User ID/Username) and password for accessing the company network;
- accessing the company server folders without authorisation;
- procuring, reproducing, disseminating without authorisation access codes or means suitable to access a system protected by security measures;
- installing software (or even simple updates) on the personal computer and/or network servers without receiving express authorisation from an IT security coordinator;
- exploiting the weaknesses or deficiencies of the IT security system to damage systems or data, obtaining resources for which they do not have authorisation, removing resources from another user or having access to systems for which they do not have the necessary authorisations;
- using programs and/or equipment and/or tools suitable to intercept, falsify or alter the content of IT communications and/or documents sent and/or received electronically as part of their duties;
- destroying, deteriorating, cancelling, altering information, data or IT programs or others or even just endangering the integrity and availability of information, data or programs used by the State or by another public entity or in any case of public utility;
- modifying, in the absence of prior authorisation of Company Management, the configuration of the personal computer used by the individual recipient;
- copying and holding beyond the permitted cases, even only temporarily, files and documents of uncertain origin on magnetic and/or optical media and/or on the company personal computer;
- positioning, even only temporarily, on the company network files and documents of uncertain origin that do not relate to the conduct of the work activity.

DUTIES OF THE SB

With regard to the prevention and supervision of cyber crimes, the duties of the SB will be the following:

- monitor to ensure that the measures to protect and store access codes, security keys and any other means suitable to allow access to the IT and electronic systems are established;
- carry out any assessment considered appropriate on the individual risk operations;
- analyse any report received in relation to possible violations of this Special Section or the commission of illegal acts or even just "suspicious" acts, preparing a specific report to be sent to the Board of Directors and proposing, if necessary, the adoption of the appropriate disciplinary measures;
- indicate to management any appropriate change and innovation in the procedures, to better prevent the risk of committing crimes.



CHAPTER 7

CRIMES OF RECEIVING, LAUNDERING AND USING CASH, GOODS OR UTILITIES OF ILLEGAL ORIGIN AND SELF-LAUNDERING

The crimes considered by Art. 25 octies of the Decree are the following:

Receiving (Art. 648 of the Italian Criminal Code) – This type of crime materialises when a person purchases, receives or conceals cash or assets originating from crime or interjects in having them purchased, received or concealed.

Laundering (Art. 648 *bis* of the Italian Criminal Code) - This type of crime occurs when a Company representative replaces or transfers cash, assets or other utilities originating from an intentional crime or hinders the identification of their criminal origin.

Use of cash, assets or other utilities of illegal origin (Art. 648 *ter* of the Italian Criminal Code) -This type of crime materialises when a person uses cash, assets or other utilities originating from crime in economic or financial activities.

Self-laundering (Art. 648 *ter.1* of the Italian Criminal Code) - the crime of self-laundering punishes anyone who - having previously committed (or contributed to committing) any intentional crime - uses, replaces or transfers in economic, financial, business or speculative activities, cash, assets or other utilities originating from the commission of that crime, so as to hinder the effective identification of their illegal origin.

RISK AREAS

The investigations carried out during the “risk mapping” have identified as risk areas all those in which incoming and/or outgoing cash flows are generated.

In particular, the following company functions are at risk:

- negotiation and stipulation of supply contracts;
- purchase of goods and services;
- search, selection, approval and monitoring of suppliers;
- intercompany relationships;
- finance and treasury management;
- management of ordinary and extraordinary operations;
- general accounting, financial statements and other corporate communications;
- relationships with the financial administration;
- search, selection and remuneration of personnel;
- management of gifts and entertaining expenses.

The list is obviously subject to changes and additions; if this becomes necessary, additional risk areas will be identified, with the consequent preparation of specific rules of conduct and respective procedures.

In such cases, the SB is responsible for proposing to the Board of Directors any appropriate intervention on the text of the previous Special Section. The Board of Directors itself may, therefore, take similar initiatives autonomously.

The general principles of control established by the Company with the aim of preventing the commission of the crimes indicated in this Special Section are aimed at guaranteeing:

- the regularity of the sales and distribution cycle, so that every receipt occurs via traceable instruments (bank transfers, cash orders, promissory notes, cheques), as the use of cash or other similar payment instruments is prohibited;
- the regularity of the purchasing cycle, so that every payment occurs via similarly traceable instruments, as the use of cash or other similar payment instruments is prohibited;
- the appropriateness of payments or expenses reimbursements, remuneration, discounts, credit notes is adequately justified as part of the contractual relationships of reference;
- the existence of a regularity check of financial transactions;
- the existence of formal and substantial controls on company cash flows, with reference to receipts/payments from/to third parties or other Group companies;
- the complete traceability of data relating to cash flows incoming and outgoing from/to third parties or other Group companies.

As part of the management of procurement processes of goods and services used to create the end product, the Parent Company Industrie De Nora S.p.A. has adopted a system of procedures, binding for all Group companies, aimed at regulating aspects concerning the purchase of goods and services as well as the selection and approval of suppliers and, more precisely:

- “*Vendor Master Data Management*”;
- “*Procurement of Common Items*”;
- “*Organizational Document System*”;
- “*Material Master Data Rules*”;
- “*Titanium Scraps Management*”;
- “*Vendor Management*”;
- “*Planning and Procurement of Strategic Items*”;
- “*Vendor Evaluation*”;
- “*Vendor Qualifications*”;
- “*Business Card Management*”;
- “*Suppliers’ Code of Ethics*”;

DNIT participates in the centralised treasury management program (cash pooling) carried out by the group head IDN;

Payments are made according to the methods established in the “*Treasury provisions for the payment of Italy/Foreign suppliers*” of the Denora Group.

RECIPIENTS OF THE SPECIAL SECTION

This special section is aimed at all managers, directors and employees of DNIT who operate in the risk areas, as specified above.

The code of conduct envisaged therein are extended to and must also be respected by external collaborators and commercial parties, who, as envisaged by the General Section of the Model, must also be made aware of its content.

CODE OF CONDUCT

This special section is aimed at indicating to the Recipients, to the extent to which they may be involved in carrying out the activities in the risk areas, the procedural rules and rules of conduct that may prevent and impede the occurrence of the crimes against property identified by the Decree.

The Recipients of the Model are expressly obliged:

- to refrain from conduct that may constitute the aforementioned crimes of receiving, laundering, reusing and self-laundering, or from conduct that, although not actually constituting in itself a circumstance of crime falling among those considered above, may facilitate their commission;
- to behave correctly, transparently and collaboratively, in respect of the rules of law and internal company procedures, in all activities aimed at the administrative management of suppliers/customers/commercial partners, even foreign;
- in particular, the commercial and professional reliability of suppliers and commercial/financial partners must always be verified based upon some significant indicators (e.g. public prejudicial data - protests, insolvency proceedings – or acquisition of commercial information on the company, the shareholders and the directors by way of specialist companies; price amount disproportionate to average market values);
- not to hold commercial relationships with persons (natural or legal) known to belong to criminal organisations or in any case operating outside of the law such as, by way of example but without limitation, persons linked to money laundering;
- to identify and register the data of natural or legal persons with which the company enters into purchase contracts necessary to develop the sales network, even abroad, and check that those persons are not based in or do not have their residence in or any link with countries considered uncooperative by the Financial Action Task Force (FATF); if the counterparties indicated in this area are in any way linked to one of those countries, the respective decisions must obtain the express authorisation of the Chief Executive Officer, having heard from the SB;
- not to use anonymous instruments to complete transactions transferring significant amounts;
- to check the regularity of the payments, with reference to the full coincidence between recipients/payers and counterparties actually involved in the transactions;
- to check the economic congruity of investments made with third parties;
- to perform formal and substantial checks of the company cash flows, with reference to payments to third parties and intercompany payments/transactions; those checks must take account of the registered office of the counterparties (e.g. tax havens, countries at risk of terrorism, etc.), credit institutions used (location of banks involved in the transactions) and any corporate schemes and fiduciary structures used for any extraordinary operations;
- to check the level of adjustment of the Group companies to the preparation of adequate anti-money laundering controls.

DUTIES OF THE SB

It is the duty of the SB:

- to check constantly the completeness and effectiveness of the provisions of this Special Section;
- to check respect of and compliance with the rules of conduct contained in this Special Section, by the respective recipients;
- to carry out any assessment considered appropriate on the individual risk operations;
- to analyse any report that is received in relation to possible violations of this Special Section or relating to the commission of illegal acts or even just "suspicious" acts, preparing a specific report to be sent to the Board of Directors and proposing, if necessary, the adoption of the appropriate disciplinary measures.

CHAPTER 8

CRIMES IN RELATION TO THE ENVIRONMENT

By virtue of Italian Legislative Decree no. 121/2011, from 16 August 2011 Art. 25-*undecies* was introduced into Italian Legislative Decree no. 231/2001 which envisages the introduction of numerous environmental offences among the predicate crimes of corporate liability.

This additional legislation renders the entity liable for environmental crimes committed in its interest or to its advantage, establishing financial penalties and, in some cases, bans.

In general, it is worth specifying that the majority of criminal violations in relation to the environment are unintentional in nature.

It follows that, for the purposes of the commission of the crime and, in particular, the subjective (or psychological) element of the same, specific intent to commit the crime is not required, but it is sufficient for the acts and/or omissions to be the result of negligence, incompetence, imprudence and/or breach of laws, regulations and customs.

The main environmental offences that may theoretically be likely to apply within the company activity are:

Environmental pollution (Art. 452 bis of the Italian Criminal Code): the crime punishes those who have caused a significant and measurable compromise or deterioration: 1) of the water or air, or extensive or significant portions of the soil or subsoil; 2) of an ecosystem, biodiversity, even agricultural, flora or fauna.

Environmental disaster (Art. 452 quater of the Italian Criminal Code): the rule incriminates those who cause an "environmental disaster", an event that materialises, alternatively, in one of the following ways: 1) irreversible alteration of the balance of an ecosystem; 2) alteration of an ecosystem whose elimination is particularly onerous and achievable only with exceptional measures; 3) damage to public safety based upon the significance of the act due to the extent of the compromise or its harmful effects or the number of persons injured or exposed to danger.

Unintentional crimes against the environment (Art. 452 quinquies of the Italian Criminal Code): the rule punishes conduct of pollution and environmental disaster even if committed merely by way of fault, but the penalty is reduced (by one-third to two-thirds).

Crimes of association for the purpose of committing environmental crimes (Art. 452 octies of the Italian Criminal Code): Art. 452 octies introduces two new aggravating circumstances, increasing the penalty up to one-third for crimes of criminal association and Mafia-type association, if respectively aimed at committing any one of the new environmental crimes or in any case at acquiring management or control of economic activities in relation to the environment.

Unauthorised waste management activity (Art. 256, paragraphs 1, 3, 5 and 6 of Italian Legislative Decree 152/2006): Art. 256, paragraph 1 incriminates the activity of waste management in the absence, as appropriate, of authorisation, registration or communication as required by the relevant administrative rules. Paragraph 3, in turn, punishes anyone who implements or manages unauthorised landfill. "Implementation" means, in particular, the equipping of an area used as a landfill site: it therefore presupposes a de facto situation (earthworks, levelling, access roads) which makes the site usable as a deposit.

Failure to reclaim sites (Art. 257, paragraphs 1 and 2 of Italian Legislative Decree no. 152/2006): the crime materialises in relation to the person responsible for the pollution "if they fail to remediate the area in conformity with the project approved by the competent authority as part of the proceedings indicated in Articles 242 et seq."

Violation of obligations to communicate and keep mandatory records and forms (Art. 258, paragraph 4, second sentence of Italian Legislative Decree 152/2006): this provision punishes, with the penalties envisaged for the crime of ideological falsification of the private entity in a public

act (namely with imprisonment of up to two years), the false indication in the analysis certificate of the nature, composition and chemical-physical characteristics of the waste as well as the respective use during transportation.

Illegal waste trafficking (Art. 259, paragraph 1 of Italian Legislative Decree 152/2006): The rule punishes anyone who makes a shipment of waste constituting illegal trafficking in accordance with Article 26 of Regulation (EEC) no. 259 of 1 February 1993, or makes a shipment of the waste listed in Annex II of the cited regulation in violation of Article 1, paragraph 3, letters a), b), c) and d) of that regulation.

Organised activities for the illegal trafficking of waste (Art. 260 of Italian Legislative Decree 152/2006): this is, in essence, a sort of “criminal association” aimed at illegal waste trafficking, a circumstance that may involve all entities who intervene in the management of waste.

Rules in relation to protection of the air and reduction of atmospheric emissions. Sanctions (Art. 279, paragraph 5 of Italian Legislative Decree 152/2006): of all criminal circumstances contained in Art. 279 TUA, only one paragraph was affected by Italian Legislative Decree 231 of 2001, and more specifically the fifth, which punishes the act of exceeding of the limit emission values which (also) translates into the exceeding of the air quality limit values envisaged by existing regulations.

RISK AREAS

Issues of environmental protection, therein including strict compliance with the respective regulations, constitute a pillar of the *policies* of DNIT.

This has led to the adoption of the environment management system, whose implementation required:

- the performance of a risk assessment on environmental management;
- the identification and assessment of the various environmental aspects managed in the company (in particular, waste production, atmospheric emissions) considered throughout the whole of the life cycle of the product or service;
- the identification and update of the applicable environmental requirements (legislative, authorisations, regulatory) for the periodic check of their fulfilment;
- the planning of actions to reduce the risks, as well as targets to improve environmental performance;
- the provision of adequate resources (human, economic, technological);
- the implementation of controls on operating activities that present significant environmental aspects;
- the implementation of monitoring on the effectiveness and adequacy of the system, by way of internal and external audits;
- the performance of periodic reviews to guarantee the necessary interventions to improve the management system.

That said, with reference to environmental crimes, the Company's risks areas are focused only on the matter of waste and atmospheric emissions.

In particular, the Cologno Monzese plant has several systems that involve atmospheric emissions, duly authorised with the following measures: (i) authorisation no. 16575 of 19.11.2009 issued by the Province of Milan, now Città Metropolitana di Milano (concerning “the installation of two new production lines for the production of materials for the electrochemical industry”) and transferred to the Company with measure dated 20.03.2018. The authorisation lasts for 15 years; (ii) communication of adhesion to the general authorisation for manufacturing activity of

electrochemical products (SUAP Cologno Monzese Ref. 2018/0013032 dated 12.03.2018). This authorisation also lasts for 15 years (commencing from 26.04.2018).

Three different types of emissions of minor significance in accordance with Art. 272, paragraph 1 of Italian Legislative Decree 152/2006 were also then communicated to the Municipality of Cologno Monzese, all referring to the Cologno Monzese production unit. In particular:

- 1) communication of polluting activity of “minor significance” dated 17.11.2017 for the activity indicated in point 1, letter a) of the Part of Annex IV to the Fifth Part of Italian Legislative Decree 152/2006;
- 2) communication of polluting activity of “minor significance” dated 17.11.2017 for the activity indicated in point 1, letter jj) of the Part of Annex IV to the Fifth Part of Italian Legislative Decree 152/2006
- 3) communication of polluting activity of “minor significance” dated 29.01.2018 for internal maintenance activity (mechanical processing, mechanical cleaning/material removal).

The Company submitted, on 21.12.2018, an application to obtain the Single Environmental Authorisation (“**AUA**”) in accordance with Art. 3 of Italian Presidential Decree no. 59 of 13.3.2013, to merge into a single measure all the authorisations and communications indicated above, as well as to obtain authorisations for emissions of activities in derogation *pursuant to* Art. 272, paragraph 2 of Italian Legislative Decree 152/2006, with reference to milling and grinding activities. On 29.04.2019, Città Metropolitana di Milano adopted the A.U.A. [single integrated environmental authorisation] General file no. 2956 – Ref. no. 100499 File no. 9.3/2019/42, which was then issued to the Company by the SUAP of the Municipality of Cologno Monzese on 06.05.2019.

The AUA no. 2956/2019 replaces the pre-existing sector authorisations for the environmental matrices which constitute their subject commencing from its issuance by the SUAP. The AUA is valid for fifteen (15) years with effect from the date of its issuance (06.05.2019).

With regard to waste, the Company also uses authorised intermediaries which deal with the transportation and subsequent disposal phases, using, in turn, companies having the necessary authorisations required by the relevant regulations on waste management.

All documentation relating to the aforementioned aspects (analysis certificates, forms, authorisations, etc.) is archived and stored at the company.

Finally, the risk of accidental pollution of the soil, subsoil, surface waters or underground waters cannot be excluded, meaning the Company will be obliged to perform reclamation of the site.

RECIPIENTS OF THE SPECIAL SECTION

This special section is aimed at all managers, directors and employees of DNIT who operate in the risk areas, as specified above.

The rules of conduct envisaged therein are also extended to and must be respected by external collaborators and commercial parties, who, as envisaged by the General Part of the Model, must also be made aware of its content.

CODE OF CONDUCT

This special section is aimed at indicating to the Recipients, to the extent to which they may be involved in carrying out the activities in the risk areas, the procedural rules and rules of conduct that may prevent and impede the occurrence of the crimes against property identified by the Decree.

The Recipients of the Model are expressly obliged:

- to refrain from conduct that may constitute the aforementioned crimes in relation to the environment, or from conduct that, although not actually constituting in itself circumstances of crime falling among those considered above, may facilitate their commission;
- to behave correctly, transparently and collaboratively, in respect of the rules of law and internal company procedures, in all activities aimed at managing waste and atmospheric emissions;

In particular, the Recipients of the Model are obliged to comply with the following conduct requirements:

Waste

- the Company, in its capacity as waste producer, if it does not carry out self-disposal or the delivery of waste to entities that manage the said public service, is obliged to ascertain that the companies to which it delivers the waste for disposal have, for each of the relevant activities (transportation, temporary storage, disposal), the necessary authorisations;
- a copy of the authorisations of each supplier (intermediary, transporter, disposal agent) must be stored in the company archives;
- upon the occurrence of an event, even accidental, likely to contaminate the soil, subsoil or surface and underground waters, the Company must immediately inform the competent authorities in accordance with Art. 242 of the Consolidated Environment Law;
- the waste analyses provided for the disposal (hazardous and non-hazardous) must be carried out at least half-yearly for hazardous waste and annually for non-hazardous waste;
- indications on the nature, composition and chemical-physical characteristics of the waste recorded by analysis certificates must always be true;
- waste analysis reports must remain stored in the Company archives and kept available for checks by the competent authority;
- copies held by the producing Company of the transportation forms of waste provided for disposal must remain stored in the Company archives and kept available for checks by the competent authority;
- the waste loading and unloading record must be constantly updated, providing precise information to the technical consultants delegated for that purpose by the Company and periodically checking the correctness of the performance of the assignment by those consultants;
- waste awaiting disposal must be deposited in clearly delimited areas marked by specific identification signs and each set of waste, in turn, must be identified correctly according to its type;
- in areas where hazardous waste is deposited, marked by specific signage, access is prohibited to unauthorised persons;
- the waste must remain deposited inside the production site for the time strictly necessary to provide it to the transporter for subsequent disposal and in any case within the terms envisaged by Art. 184, letter bb) of Italian Legislative Decree 152/2006;
- the Company is required to allow the production plant to be accessed by the competent authority for checks and to provide all information requested;

Atmospheric emissions

- the Company must also comply scrupulously with the requirements contained in the authorisations;

- the emission points must be clearly identified by affixing suitable signage;
- the emissions must be sampled and controlled with the frequency established by the authorisation measures;
- checks of pollutants must be carried out in operating conditions of the plant for which they were sized and in relation to the substances actually used in the technological cycle and described in the authorisation request;
- the Company must allow the production plant to be accessed by the competent authority for checks and must provide all requested information;

DUTIES OF THE SB

In relation to the duties of the employer and the other persons required to comply with and apply the rules on the environment, the duties of the SB will be the following:

- to oversee the correct fulfilment of the duties of persons found in a position of guarantee with respect to the protection of the environment;
- to receive and examine any report from workers or any other person in the Company.
- to carry out control activity, even randomly, on both the existence of adequate environmental protection measures and on the correct archiving and storage of documentation certifying the control and monitoring activities carried out in relation to the environment.

CHAPTER 9

CRIMES IN RELATION TO ILLEGAL IMMIGRATION

Employment of illegal third country citizens - With Italian Legislative Decree no. 109 of 16 July 2012, the Italian State adjusted to the Community provisions on sanctions against employers who employ non-EU citizens staying illegally in the country. Among the rules of the cited regulatory text, Art. 2 extends criminal liability in accordance with Italian Legislative Decree no. 231 of 2001 also to companies that recruit foreign citizens not having a residence permit, if some particular conditions are in place (discussed further below). The incriminating rule of reference (Art. 22, paragraph 12 bis of Italian Legislative Decree no. 286/98, known as Consolidated Law on Immigration) punishes the employer who employs non-EU workers not having a residence permit, or whose permit has expired (the renewal of which has not been requested), or even those having a revoked or cancelled permit. In order for the liability of the Company to arise, the illegal employment must not only have occurred in the interest or to the benefit of the entity, according to general principles, but it is also essential for there at least to be one of those conditions, namely that: there are more than three employed workers; the employed workers are lower than working age; the employed workers are subject to the other working conditions of particular exploitation indicated in the third paragraph of Article 603-bis of the Criminal Code (and thus, for example, that workers are exposed to situations of particular danger, with regard to the characteristics of the services to be carried out and the working conditions). With Italian Law no. 161 of 17.10.2017, additional criminal offences in relation to illegal immigration were included in Art. 25 duodecies of Italian Legislative Decree 231/01. This is, in particular, the crime envisaged by Art. 12, paragraph 3 of Italian Legislative Decree no. 191/286 (Consolidated Law on Immigration) which punishes anyone who promotes, manages, organises, finances or carries out the transportation of foreigners into the State or completes other acts aimed at procuring illegally their entry into the State territory if: the fact concerns the entry or illegal stay in the State territory of five or more persons; the transported person has been exposed to danger for his/her life or safety to procure his/her entry or illegal stay; the transported person has been subjected to inhumane or degrading treatment to procure his/her entry or illegal stay; the act is committed by three or more persons in conjunction between them or using international transport services or counterfeited or altered documents or in any case those obtained illegally; the perpetrators of the act have the availability of weapons or explosive materials. A relevant crime is also constituted by that indicated in Art. 12, paragraph 5 of Italian Legislative Decree 286/98 which punishes anyone who, in order to obtain an unjust profit from the condition of illegality of the foreigner, facilitates their stay in the State territory in violation of the relevant regulations.

RISK AREAS

The risk of committing the crimes in relation to illegal immigration in the Company activity is rather contained, due to the very small number of non-EU employees usually employed.

RECIPIENTS OF THE SPECIAL SECTION

This special section is aimed at the employer, as well as all persons who operate in the sector of human resources and personnel selection.

CODE OF CONDUCT

The recruitment of non-EU citizens by the Company is based upon the following general principles:

- it is prohibited to establish permanent, temporary or seasonal subordinate employment relationships with non-EU citizens staying illegally in the country;
- in particular, it is prohibited to employ foreign workers not having a residence permit or whose permit has been revoked or expired, and the renewal of which has not been requested;
- the employer is required to guarantee to the foreign worker the remuneration and insurance treatment envisaged by the laws in force and the applicable national collective labour agreements;
- in no case may non-EU citizens under the legal working age be employed;
- all documentation, both in electronic and paper format, relating to the employment relationship with non-EU employees must be stored in the Company archives and must be easily accessible.

DUTIES OF THE SB

In relation to the duties of the employer and the other persons required to comply with and apply the rules on immigration, the duties of the SB will be the following:

- to oversee the correct fulfilment of the duties of persons found in a position of guarantee with respect to the legitimacy of recruitments of employees (also non-EU);
- to receive and examine any report from workers or any other person in the Company.
- to carry out control activities, also randomly, in relation to the documentation contained in the personal file of the individual non-EU employee stored in the Company archives.

CHAPTER 10

ORGANISED CRIMES, CRIMES FOR THE PURPOSE OF TERRORISM OR SUBVERSION OF THE DEMOCRATIC ORDER AND TRANSNATIONAL CRIMES

This chapter deals with organised crimes - envisaged by the Decree at Art. 24-*ter* -, crimes for the purpose of terrorism or subversion of the democratic order - envisaged by the Decree at Article 25-*quater* - and, so-called and transnational crimes indicated in Italian Law no 146 of 16 March 2006.

The unitary discussion of the circumstances of crime attributable to the aforementioned categories of so-called “predicate crimes” is justified both in the near perfect coincidence of the risk areas and respective control measures, all mainly aimed at the full identification of the contractual counterparty, and the very low risk profile associated with that type of crimes.

The aim of this special section is to identify the procedures, as well as the rules that all Company stakeholders must follow in order to prevent the occurrence of the circumstances cited by the categories of crime discussed and considered relevant for the Company.

Before, however, examining the circumstances of crime considered relevant for the Company, in view of the activity actually performed, it is worth making some brief comments in relation to the characteristics of the crimes cited by the categories discussed here.

Crimes for the purpose of terrorism or subversion of the democratic order

Art. 25-*quater* of the Decree envisages corporate liability in relation to the commission of crimes for the purpose of terrorism or subversion of the democratic order, envisaged by the Italian Criminal Code and by the special laws, as well as in violation of Article 2 of the International Convention for the suppression of the financing of terrorism signed in New York on 9 December 1999.

The provisions of the Italian Criminal Code, the Special Laws and, most recently, Art. 2 of the New York Convention present, in defining the circumstances cited by Art. 25-*quater*, a significant common trait which is worthy of being highlighted, as it is essential for the actual direct attribution to the Company of the crimes in question.

The subjective element of the predicate crimes is invariably always and in any case intent - generic or specific - depending on the different criminal circumstances.

Therefore, in order for the described circumstances to occur, the agent must be aware of the unlawful event and must have the desire to implement it, through conduct attributable to it; in order for the circumstances of crime in question to materialise, therefore, it is necessary for the agent to be aware of giving support and/or financing to terrorist (subversive) organisations, of intending to facilitate them, promote and/or support their activities and lastly, that it is aware of the terrorist nature of the activity that is implemented by virtue of his/her conduct.

Therefore, the criminal circumstance would also arise if the person acts with any intent. In that case, the agent should foresee and accept the risk of occurrence of the event, despite not desiring it directly. Assessing the likelihood of the event occurring and the will to engage in criminal conduct must in any case be inferred from unambiguous and objective elements.

That said, below is a description of the crimes considered theoretically significant as part of the activity effectively performed by the Company.

Organised crimes

Italian Law no. 94 of 15 July 2009 supplemented the list of crimes envisaged by Italian Legislative Decree no. 231/01, extending corporate liability to “Organised Crimes” (Art. 24-*ter* of Italian Legislative Decree no. 231/2001), and, more specifically:

- criminal association indicated in Art 416 of the Italian Criminal Code;
- criminal association of Mafia nature indicated in Art. 416-*bis* of the Italian Criminal Code;

- political-Mafia electoral exchange indicated in Art. 416-*ter* of the Italian Criminal Code;
- kidnapping for the purpose of robbery or extortion indicated in Art. 630 of the Italian Criminal Code;
- criminal association aimed at the sale of narcotic or psychotropic substances indicated in Art. 74 of Italian Presidential Decree no. 309/1990;
- crimes of illegal manufacturing, introduction into the State, placement on sale, transfer, possession and taking into a public place or a location open to the public of weapons of war or war-type weapons, explosives and clandestine weapons indicated in Art. 407 paragraph 2, letter a) no. 5 of the Italian Code of Criminal Procedure.

The rules in question concern organised crime, a phenomenon that causes strong social alarm in the community due to the greater potential for delinquency of organisations compared to individual perpetrators of crime, or the more dangerous nature of the criminal program of the organisation compared to the criminal design of the individual.

The circumstances indicated above refer to the simple participation, as well as the promotion, direction, constitution, organisation of an association, consisting of three or more persons and having, even minimally, a "structure" (division of duties, hierarchies, etc.) and "stability" which allow it to be distinguished from the simple abetting of persons in the crime, characterised, on the other hand, by the occasional and accidental nature of the criminal agreement. The purpose of the association must be, even if not unique and prevalent, that of implementing a criminal plan, namely the commission of one or more crimes.

Transnational crimes

Italian Law no. 146 of 16 March 2006, ratifying and implementing the United Nations Convention and Protocols against transnational organised crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001, extended the corporate liability of legal persons, companies and associations, even without legal personality, to some crimes of transnational nature, so-called transnational organised crimes.

Art. 3 of that regulatory text defines what should be understood exactly by "transnational crime". In particular, a transnational crime is considered to be "the crime punished with the maximum term of imprisonment of at least four years, if an organised criminal group is involved, as well as:

- it is committed in more than one State;
- in the case that it is committed in one State but a substantial part of its preparation, planning, management or control occurs in another State;
- in the case that it is committed in one State but an organised military group engaged in criminal activities in more than one State is implicated in it;
- in the case that it is committed in one State but has substantial effects in another State".

For the purposes of the Company activity, the crimes - including those taken into consideration by the indicated regulation - that may theoretically be of significance are the following:

- obstruction of justice (Art. 377 of the Italian Criminal Code);
- instigation not to testify or to bear false witness (Art. 377 bis of the Italian Criminal Code);
- personal aiding and abetting (Art. 378 of the Italian Criminal Code);
- criminal association (Art. 416 of the Italian Criminal Code);
- Mafia-type association, also foreign (Art. 416 bis of the Italian Criminal Code).

It should be noted that the crimes of association (Art. 416 and 416 bis of the Italian Criminal Code) are significant, in accordance with Art. 24 *ter* of the Decree, even if committed only within the national territory.

RISK AREAS

The crimes of association identified above presuppose the establishment of relationships of any nature, even indirectly - or even at transnational level – with entities external to the Company forming part of criminal associations.

As, in particular, the offence of criminal association (Art. 416 of the Italian Criminal Code) may occur prior to the commission of any crime, the risk areas are widespread and not localised within the field of specific company functions. This is also in light of the type of activity performed by DNIT which involves continuous contacts with external entities (customers, suppliers, etc.).

The following risk areas can therefore be identified:

- negotiation and stipulation of commercial contracts, both with private and public entities;
- purchase of goods and services;
- selection, management and assessment of suppliers;
- management of gifts, hospitality and entertaining expenses;
- management of donations and sponsorships;
- management of intercompany relationships;
- search and recruitment of personnel.

The list is obviously subject to changes and additions; if this becomes necessary, additional risk areas will be identified, with consequent preparation of specific rules of conduct and respective procedures.

In such cases, the SB is responsible for proposing to the Board of Directors any appropriate intervention on the text of the previous Special Section. The Board of Directors itself may also take similar initiatives autonomously.

RECIPIENTS OF THE SPECIAL SECTION

This Special Section is aimed at all persons who, as part of the role covered within the Company, are likely to come into contact with persons extraneous to DNIT.

RULES OF CONDUCT

This Special Section, in addition to the specific principles of conduct relating to the individual risk areas, cites the general principles of conduct contained in the Code of Ethics.

All those who operate on behalf of the Company are required to act in conformity with principles of integrity, prudence, fairness and transparency.

In particular, it is prohibited for all Recipients to establish relationships with persons, entities, companies or associations in any form they are established, in Italy and abroad, known to or reasonably believed or suspected to form part of or in any case be linked to or hold relationships of any nature with criminal associations or groups, or in any case whose identity and suitability has not been carefully and diligently ascertained in a traceable and documented manner.

With reference to the areas most exposed to the risk of committing crimes of association, the Company is inspired by the following principles of control:

- monitoring of the execution of contracts;
- formal identification of roles, duties and responsibilities of persons who select suppliers;
- precise definition of the parameters that regulate the so-called approval of suppliers and products.

In addition to the aspects regulated in the points indicated above, for further controls, see the contents of the Special Section dedicated to Corporate Crimes (Art. 25-*ter*) with regard to Corruption between Private Entities and the Special Section dedicated to the employment of illegal third country citizens (Art. 25-*duodecies*).

DUTIES OF THE SB

It is the duty of the SB:

- to check constantly the completeness and effectiveness of the provisions of this Special Section;
- to check respect of and compliance with the rules of conduct contained in this Special Section, by the respective recipients;
- to carry out any assessment considered appropriate on the individual risk operations;
- to verify the correct archiving of documentation relating to relationships with public, state or Community institutions;
- to analyse any report received in relation to possible violations of this Special Section or relating to the commission of illegal acts or even just "suspicious" acts, preparing a specific report to be sent to the Board of Directors and proposing, if necessary, the adoption of appropriate disciplinary measures.

CHAPTER 11

CRIMES IN RELATION TO INFRINGEMENT OF COPYRIGHT

The predicate crimes indicated in Art. 25 novies of the Decree relating to the infringement of copyright (indicated in Italian Law 633/1941), are the following:

- disclosure of intellectual work via the electronic network (Art. 171);
- crimes in relation to software and databases (Art. 171 bis);
- crimes in relation to intellectual property used on radio, television and cinema or literary, scientific or educational circuits (Art. 171 ter);
- violations in relation to the SIAE (Italian copyright collecting agency) (Art. 171 septies);
- tampering with devices for decoding audio visual signals with conditional access (Art. 171 octies)

RISK AREAS

In this context, it is believed that the risk areas are focused in the field of the IT structure and mostly relate to the possible use of non-original software and/or that not having a regular licence.

More specifically:

- management of activities connected to the purchase and use of software, databases or any other product protected by copyright;
- use of resources and information or IT or electronic nature or any intellectual property protected by copyright.

The list is obviously subject to changes and additions; if this becomes necessary, additional risk areas will be identified, with consequent preparation of specific behavioural rules and respective procedures.

In such cases, the SB is responsible for proposing to the Board of Directors any appropriate intervention on the text of the previous Special Section. The Board of Directors itself may also take similar initiatives autonomously.

RECIPIENTS OF THE SPECIAL SECTION

This special section is aimed at all persons who are in possession of IT equipment attributable to DNIT.

RULES OF CONDUCT

The “*IT devices and systems regulation*” regulates the use of IT devices and systems (telephones, email, shared folders, internet, etc.) by all personnel of the Italian companies of the De Nora Group and external collaborators to whom, for any reason, a company device has been provided. In particular, according to existing company rules:

- access to data resources in electronic format occurs only via computers protected by username and password;
- for each computer and communication system, the user ID must identify only one user. for each system access authorisation levels are established as necessary;

- passwords must always be encrypted and must not be stored in legible format in places where unauthorised people may discover and/or use them;
- devices and programs must only be installed and updated by personnel instructed to do so;
- the servers are protected by corporate antivirus systems;
- any change of working status of employees within the Company (consultants, temporary or contracted) must be communicated immediately by the human resources department to the information system administrators involved;
- the Company exercises access control to the systems in protection of the integrity of the data which are kept on the computers and communication systems. The security manager and the network administrator may restrict or revoke any privilege for users; demand that the user deactivates or removes data, programs or other system resources that may threaten these objectives; consider any other solution necessary to manage and protect the IT system.

The Recipients are prohibited from:

- duplicating, importing, distributing, selling, granting on lease, disseminating, possessing, without being entitled to do so, computer programs, protected databases or any work protected by copyright and by the related rights.

DUTIES OF THE SB

In relation to the duties of persons required to comply with the rules regulating copyright, the duties of the SB will be the following:

- to receive and examine any report from workers or any other person in the Company.
- to carry out control activity, also randomly, in relation to the existence and validity of the software licences on computer devices used by employees.

CHAPTER 12

TAX CRIMES

Art. 25 *quinquiesdecies* of Italian Legislative Decree 231/01 regulates the liability of the Company for some criminal offences in relation to taxes introduced by Italian Law no. 157/2019 converting Decree Law no. 124/2019.

The crimes considered by Italian Legislative Decree 231/01 and that may be committed as part of the activity carried out by DNIT are the following:

Fraudulent declaration using invoices or other documents for non-existent transactions (Art. 2 of Italian Legislative Decree 74/2000)

The circumstance punishes those who indicate in one of the mandatory annual declarations (income tax or VAT) fictitious payable elements in order to evade the tax and, for that purpose, use invoices or other documents, referring to non-existent transactions and that constitute evidence of these transactions.

Fraudulent declaration by means of other deception (Art. 3 of Italian Legislative Decree 74/2000)

The circumstance punishes those who, by completing objectively or subjectively simulated transactions or by using false documents or other fraudulent means likely to hinder the assessment and to mislead the Tax Administration, indicate in one of the declarations for those taxes payable elements for an amount less than the actual sum or fictitious payable elements or fictitious receivables and withholdings in order to evade income tax or value added tax.

Issuance of invoices or other documents for non-existent transactions (Art. 8 of Italian Legislative Decree 74/2000)

The circumstance punishes those who issue or transmit invoices or other documents for non-existent transactions in order to allow third parties to evade income tax or value added tax.

Concealment or destruction of accounting documents (Art. 10 of Italian Legislative Decree 74/2000)

The circumstance punishes those who conceal or destroy, in whole or in part, accounting records or documents which must mandatorily be retained, so as to prevent the reconstruction of the income or turnover, in order to evade income tax or value added tax, or to allow third parties to evade them.

Fraudulent evasion of tax payments (Art. 11 of Italian Legislative Decree 74/2000)

The circumstance punishes those who:

- alienate by simulation or complete fraudulent acts on their own assets or those of others to render ineffective - in whole or in part - the procedure of compulsory collection in order to evade the payment of income tax or value added tax or interest or administrative sanctions relating to those taxes;
- indicate in the documentation submitted for the purposes of the tax settlement procedure receivable elements for an amount less than the actual amount or fictitious payable elements for an amount overall greater than fifty thousand Euros in order to obtain for themselves or for others a partial payment of taxes and related accessory costs.

False declaration (Art. 4 of Italian Legislative Decree 74/2000)

The circumstance punishes those who indicate receivable elements less than the actual amounts or non-existent payable elements in the annual VAT and/or income declarations when, jointly:

- the tax evaded is higher, with reference to any of the individual taxes, than one hundred thousand Euros;

- the total amount of receivable elements removed from taxation, even by indicating non-existent payable elements, is greater than ten per cent of the total amount of receivable elements indicated in the declaration, or, in any case, more than two million Euros.

This is a crime punishable in accordance with Italian Legislative Decree 231/01 only in the circumstance where it:

- presents the nature of transnationality (an organised criminal group is involved, as well as: a) it is committed in more than one State; b) in the case that it is committed in one State but a substantial part of its preparation, planning, management or control occurs in another State; c) in the case that it is committed in one State but an organised criminal group engaged in criminal activities in more than one State is implicated in it; d) in the case that it is committed in one State but has substantial effects in another State);
- it was committed for the purpose of evading VAT for an amount no less than ten million Euros.

Failure to declare (Art. 5 of Italian Legislative Decree 74/2000)

The circumstance punishes those who:

- do not submit VAT or IRPEF declarations in order to evade the respective taxes;
- do not submit the withholding agent declaration (if obliged to do so) provided that this concerns withholdings not paid for an amount greater than fifty thousand Euros.

This is a crime punishable in accordance with Italian Legislative Decree 231/01 only in the circumstance where it:

- presents the nature of transnationality (an organised criminal group is involved, as well as: a) the case that is committed in more than one State; b) the case that it is committed in one State but a substantial part of its preparation, planning, management or control occurs in another State; c) the case that it is committed in one State but an organised criminal group engaged in criminal activities in more than one State is implicated in it; d) the case that it is committed in one State but has substantial effects in another State).
- it was committed for the purpose of evading VAT for an amount no less than ten million Euros.

Undue offsetting (Art. 10 quater of Italian Legislative Decree 74/2000)

The circumstance punishes those who:

- do not pay the sums due by way of offsetting of their payables with receivables not due for an annual amount greater than fifty thousand Euros;
- do not pay the sums due by way of offsetting of their payables with non-existent receivables for an annual amount greater than fifty thousand Euros.

This is a crime punishable in accordance with Italian Legislative Decree 231/01 only in the circumstance where it:

- presents the nature of transnationality (an organised criminal group is involved, as well as: a) is committed in more than one State; b) the case that it is committed in one State but a substantial part of its preparation, planning, management or control occurs in another State; c) the case that it is committed in one State but an organised criminal group engaged in criminal activities in more than one State is implicated in it; d) the case that it is committed in one State but has substantial effects in another State).
- it was committed for the purpose of evading VAT for an amount no less than ten million Euros.

RISK AREAS

In light of the crimes and conduct cited above, the Company areas of activity considered most at risk of commission of illegal activities can be identified as follows:

A. Management of tax obligations and, in particular:

- Management of accounting and taxes (tax declarations and any controls on the correct keeping of records and on tax amounts);
- Preparation, signature and submission of tax declarations
- Management of relationships with the Tax Authority
- Management of relationships with external tax advisors.

B. Purchasing cycle and, in particular:

- Purchase requests of goods and/or services
- Database management/register of suppliers/consultants
- Selection of suppliers/consultants
- Payments

C. Sales and distribution cycle and, in particular:

- Issuance and recording of invoices receivable
- Receipts

D. Management of intercompany relationships and, in particular:

- *Intercompany* transactions
- Intercompany services and respective allocation of costs
- Transactions of an ordinary and extraordinary nature

The list is obviously subject to changes and additions; if this becomes necessary, additional risk areas will be identified, with consequent preparation of specific behavioural rules and respective procedures.

In such cases, the SB is responsible for proposing to the Board of Directors any appropriate intervention on the text of the previous Special Section. The Board of Directors itself may also take similar initiatives autonomously.

RECIPIENTS OF THE SPECIAL SECTION

This special section is aimed at the Directors, the Sole Auditor, the Independent auditors and employees who take part in one of the processes relating to the risk activities highlighted above with particular - but not exclusive - reference to the AFC, Procurement and Legal departments and external tax advisors.

RULES OF CONDUCT

The Company undertakes to fulfil completely and transparently all tax obligations envisaged for it and to collaborate, where necessary, with the tax authority.

Tax declarations and tax payments are mandatory fulfilments which cannot be evaded; all conduct aimed at avoiding the obligations envisaged in tax matters for the Company are therefore prohibited.

In particular, in addition to that already envisaged in Chapters 3 (corporate crimes), 4 (crimes in relation to the Public Administration), 6 (cyber crimes), 7 (crimes of receiving, laundering, reusing

and self-laundering) and 10 (organised crimes, even transnational), it is mandatory to comply with the following.

Management of tax obligations

Tax obligations must be fulfilled by the legal deadlines, subject to appropriate planning and in respect of principles of truthfulness, transparency and completeness.

In general, it is prohibited:

- to indicate non-existent liabilities or assets in an amount lower than the actual value, also using invoices for non-existent transactions or other deception;
- to issue invoices for non-existent transactions;
- to evade, fraudulently, the payment of taxes;
- to conceal or destroy tax documents;
- to indicate in the annual declarations (VAT and IRES corporate income tax) receivable elements for an amount less than the actual amount or non-existent payable elements;
- to use receivables not due or not existing to offset treasury, social security and/or welfare payables.

In particular, the Company must:

- constantly monitor, even through a schedule, its tax compliance;
- complete the mandatory tax declarations (e.g. annual income declaration, VAT, etc.) in the terms and methods envisaged *by law* (e.g. correctly identifying the signatory, submitting the declarations on the correct forms, having the declarations signed by the Legal Representative or by his/her delegate) and in respect of principles of truthfulness, transparency and completeness;
- to verify the correctness of the data indicated in the tax declarations (e.g. existence of receivables used for offsetting);
- to have the tax declarations signed by the person delegated for that purpose (where present) or by the Legal Representative;
- to submit the tax declarations within legal timescales;
- to store in a specific archive (also electronic) all accounting and support documentation and make it available to the competent authorities (e.g. deposit receipts/submission of VAT declarations);
- to handle any relationships and contacts with persons belonging to the Tax Authority in respect of Chapter 4 (crimes against the Public Administration) of this Model as well as in respect of the Code of Ethics.

In the event of inspections/accesses/requests by the Tax Authority, it is obliged to monitor and keep a track of all tax audit activities implemented in relation to the Company as well as the individual relationships held by the individual company departments;

- to handle relationships with external tax advisors in respect of this Model and the Code of Ethics.

Sales and distribution cycle and purchasing cycle

The Company is required to manage the sales and distribution cycle and the purchasing cycle in respect of existing regulations, the principles of the Code of Ethics, Chapter 7 (crimes of receiving, laundering and use of cash, assets or utility of illegal origin), as well as in respect of the procedures and provisions adopted by the Parent Company, which are binding for all Group Companies.

In general, the issuance and/or use of any tax document must be preceded by:

- referencing of the supplier/consultant, by verifying the effectiveness and existence of the respective activity;
- pertinence check of the performance provided by the supplier/consultant to the business activity;
- conformity check of the performance with respect to that stated in the purchase request and contractually agreed, or correspondence check between the order/contract signed with the customer and the performance carried out;
- validation of documentation regarding the correspondence and truthfulness of the documentation with respect to the supply/performance;
- check that the performance has been carried out between the entities indicated in the invoice.

In the event of anomalies which infer (alternatively) that

- the supplier/consultant is an entity that is essentially inoperative, or fiscally in default,
- the performance (incoming and outgoing) has not been effectively carried out in whole or in part,
- the performance has occurred between entities different from those indicated in the respective tax document,

it is compulsory to duly inform the SB.

It is mandatory to retain all documentation relating to the sales and distribution cycle and the purchasing cycle in a specific archive (also electronic) and to make it available to the Authorities.

Management of intercompany relationships

Intercompany financing transactions must occur in respect of any specific Group procedures, which must describe the operating flow and the management process of intercompany loans, both loans of ordinary and extraordinary nature.

Any commercial and/or financial transactions at Group level must occur according to market values, identified in accordance with specific criteria and by the specific company departments, in respect of industry regulations.

In managing cash flows, it is mandatory to carry out the periodic reconciliation of any *intercompany* transactions.

DUTIES OF THE SB

It is the duty of the SB:

- to check the respect of and compliance with the rules of conduct contained in this Special Section, by the respective recipients;
- to carry out control activities, also randomly, on individual risk operations;
- to check any assessment and dispute reports for the Company;
- to analyse any report received in relation to possible violations of this Special Section or relating to the commission of illegal acts or also simply "suspicious" acts.

In addition, the SB may:

- request a meeting with the independent auditing company;
- request a meeting with the external tax advisor;
- request information on the management of any beneficial tax regimes;
- request information on any discussions with the Tax Authority.

CHAPTER 13

CRIMES OF INCITEMENT TO NOT TESTIFY OR TO BEAR FALSE WITNESS

This chapter refers to the crime of “*Incitement to not testify or to bear false witness*” (Art. 25-*decies* of Italian Legislative Decree no. 231/01), added by Italian Law no. 116/09, and then modified by Italian Legislative Decree no. 121/2011.

This is a circumstance of crime that despite, due to its characteristics, seeming unlikely to occur as part of the activity performed by DNIT, cannot, however, be entirely excluded as it may occur in rare cases.

It is therefore worth assessing it and consequently adopting the necessary protocols to protect the company and its employees.

Relevant crimes and example of conduct

(Art. 377 *bis* of the Italian Criminal Code)

The crime of *Incitement to not testify or to bear false witness*, envisaged by Art. 377 *bis* of the Criminal Code, punishes anyone who, with violence or threats, or with the offer or promise of cash or other utilities, induces not to testify or to bear false witness the person called to make before the judicial authority declarations that may be used in criminal proceedings, when this person has the right not to respond.

As noted in chapter 10, that crime is relevant also when committed at transnational level, in accordance with Italian Law no. 146 of 16 March 2006.

The recipients of the conduct are, therefore, the investigated persons and the indicted persons (even in related proceedings or in a related crime), who are granted by the legal system the right not to respond.

As to the conduct, the incitement relevant for the purpose of committing the crime is implemented through the means strictly indicated by the rule, namely by threats, violence or the promise of cash or other utilities.

The elements constituting the circumstance of crime are also constituted by the fact that:

- the incited person has not testified or borne false witness;
- the agent represents that the person incited (with the methods indicated by the rule) not to testify or to bear false witness, had the right not to respond.

For example, the crime in question may occur where a manager or an employee, investigated for an accident occurring in the workplace are pressured by the company to make before the Judicial Authority a reconstruction of the facts that occurred which conceals any liability of the Company.

RISK AREAS IDENTIFIED

The main risk areas identified are the following:

- Dispute management;
- Management of human resources and *payroll*;
- Management of workplace health and safety.

RULES OF CONDUCT, PROCEDURES AND CONTROL MEASURES

The Company undertakes to guarantee and promote respect of the national and Community laws in force. In particular, all persons who operate in various guises for DNIT or for the Group

(employees, seconded workers, consultants and external collaborators) are required to respect the legislation in force as well as the Group Code of Ethics.

In that perspective, persons asked to make declarations before the Judicial Authority in relation to work activity carried out (in the capacity of investigated person/accused person, person informed of the facts/witness or witness assisting/accused in related criminal proceedings) must freely express their representation of the facts or exercise the right not to respond, as granted by law; they must also maintain the strictest confidentiality in relation to the declarations issued and their subject, if the same are covered by investigative secrecy.

At the same time, DNIT expressly prohibits:

- any force, in any form and with any methods, of the will to respond to the Judicial Authority of persons called to make declarations or any inducing of the latter to invoke the right not to respond;
- any incitement, in any way, of persons called testify before the Judicial Authority, to make false testimony;
- any giving, offering or promising of cash, gifts, presents or other advantages to persons called to make declarations before the Judicial Authority;
- any conduct that, despite not actually constituting the criminal circumstance indicated above, may theoretically influence the person called to make before the Judicial Authority declarations that may be used in criminal proceedings;
- any implementing or facilitating of operations or activities that do not comply with the rules of the Code of Ethics.

For further controls, see the protocols contained in the Special Section “Chapter 4 – Crimes against the Public Administration”.

SUPERVISORY BODY CONTROLS

The Supervisory Body has the power to perform specific checks, even as a result of reports received; the Body also has the right to access all company documentation available in the matter, with no obligation to provide prior notice.

The Company has also established, at the request of the Supervisory Body, suitable information flows to allow the latter to acquire information relating to any violation of the Model and the status of the dispute.

In particular, all recipients must promptly notify the Supervisory Body of any writ of summons to give evidence and of any criminal proceedings involving them, in any profile, in relation to the work activity provided; the Supervisory Body must be informed of requests for legal assistance sent to the Company by employees if criminal proceedings are brought against the same.

The Supervisory Body, in carrying out the activities indicated above, may make use of all competent resources in that regard.

CHAPTER 14

CRIMES OF MARKET ABUSE

This chapter refers to the crimes of *market abuse*; the aim of this chapter is to identify the procedures as well as the rules that all managers, employees and collaborators of the Company must follow in order to prevent the occurrence of episodes of market manipulation.

Art. 185 of Italian Legislative Decree no. 58 of 24.2.1998 (Consolidated Finance Law) punishes with imprisonment from one to six years and with a fine from twenty thousand Euros to five million Euros “*anyone who spreads false information or implements simulated transactions or other trickery likely to cause a significant alteration in the price of financial instruments*”.

That crime thus materialises in the conduct of anyone who spreads false information or implements simulated transactions, likely to cause a significant alteration in the price of financial instruments.

While, on one side, it is true that DNIT is an unlisted company and is therefore not present on the financial markets, on the other, the fact must be considered that the Group's shareholders may include listed companies which, by reflection, could therefore theoretically suffer repercussions on the price of the respective stock if false information is spread or simulated transactions are implemented.

Also in the case of this type of crime, it is therefore worth assessing it and inserting it in this model, consequently adopting the necessary protocols to protect the company and its employees.

RISK AREAS IDENTIFIED

The main risk areas identified are the following:

- Administration, Finance and Control (AFC);
- Sales & After Sales;
- Operations;
- HR, Organization & Int. Communication.

RULES OF CONDUCT, PROCEDURES APPLIED AND CONTROL MEASURES

The Company undertakes to respect scrupulously all laws in force and, in particular, in completing transactions of any nature on financial instruments or in spreading information relating to the same, it ensures respect of the principles of fairness, transparency, completeness of information, protection of the market and respect of the dynamics of free determination of the stock price.

From that perspective, it is strictly prohibited to spread, in any way, false information, news or data or to implement fraudulent or misleading transactions even only potentially likely to cause an alteration in the price of financial instruments.

In particular, the Company undertakes:

- a) always to behave with diligence, fairness and transparency, in the interest of the public of investors and the market;
- b) to organise itself in such a way as to exclude the occurrence of situations of conflict of interest and, on those occasions, to guarantee balanced protection of the conflicting interests;

- c) to adopt measures to ensure that there is no undue circulation/dissemination, within the Company and the Group, of significant information.

With regard to the management of privileged information, such as, by way of example, information on new products and markets, accounting data of the period, quantitative targets relating to the management performance, capital transactions, it is strictly prohibited to disseminate that information outside the Company.

To that end, the company regulation envisages:

- the obligation to keep private the information acquired in carrying out the company duties and to use the private documents and information exclusively for the performance of the role;
- the storage and archiving of all confidential documentation, acquired in carrying out the duties, in a location which only allows access to authorised persons;
- the establishment of specific contractual precautions, aimed at regulating the processing of and access to privileged and confidential information by consultants/commercial partners through the establishment of specific confidentiality clauses and clauses requiring respect of the Code of Ethics and the Model adopted by the Company.

In the case of transmission, certain authorisation processes are in place to ensure that such information is made official in nature.

At meetings of the Board of Directors, the information produced is brought to the attention of the competent functions by subject and sent to a single company office that channels the respective information flows. All documentation is archived and kept confidentially by the competent offices.

As part of the management of relationships with the media and the dissemination of new and/or advertisement of goods/services (general press, specialist press, update of internet website), in line with the principles of conduct and control established by the Parent Company, the regulation envisages:

- the formal identification of the company officers instructed to establish the communication strategies and to deal with external relationships and media relations;
- the formal approval of press releases prior to the respective public disclosure, as well as the archiving of documentation relating to publications with the respective decision-making flows.

Management of external communications

With regard to the management of information externally, a function is identified, in the regulation of the Parent Company, to establish the commercial communication strategies and to deal with external relationships and media relations.

The same structure establishes the *format* and the guidelines of the internet website and also deals with information flows between the functions involved in the obligations relating to the constant update of the institutional website. The documentation relating to requests for publications, received from the competent Organisational Units, the publications made and the decision-making flows are archived by the function in charge.

To complete the above, it should be noted that the IT security of the data is guaranteed by protocols controlling “*Cyber crimes*” (see chap. 6).

As part of the sensitive activity of managing privileged information relating to the Company such as, by way of example, information on new products and markets, accounting data for the period,

quantitative targets relating to the management performance, capital operations, the managers have been identified who, potentially, due to the role covered or the functions performed, may hold or produce privileged information.

SUPERVISORY BODY CONTROLS

The Supervisory Body has the power to perform specific checks, even as a result of reports received; the Body also has the right to access all company documentation available in the matter, with no obligation to provide prior notice.

The Company has also established information flows suitable to allow the SB to acquire useful information for monitoring communications and relevant transactions in relation to market abuse.

The Supervisory Body, in carrying out the activities indicated above, may make use of all competent resources in that regard.

CHAPTER 15

CRIMES AGAINST TRADE AND INDUSTRY

Italian Law no. 99 of 23 July 2009 supplemented the list of crimes envisaged by Legislative Decree no. 231/01, extending corporate liability to “Crimes against trade and industry” (Art. 25-*bis*. 1).

The rules are aimed at protecting the national economic order, with the intention of guaranteeing the honest conduct of industrial and commercial activities, to safeguard the interests of both entrepreneurs and consumers, with particular attention to the protection of public health and to clarity in commercial transactions.

Below is a description of the crimes that may theoretically be attributable to the activity performed by DNIT.

Disturbed freedom of trade or industry (Art. 513 of the Italian Criminal Code)

This type of crime materialises when anyone uses violence on property or fraudulent means to impede or disrupt the exercise of trade or industry.

The rationale of the crimes in question is to disrupt the free and normal conduct of trade and industry, affecting the public economy.

This crime may materialise if:

- the Company adopts particularly aggressive commercial policies aimed at combating the exercise of industrial activity (for example, to induce with force an agent of a competing company to terminate the mandate to win the respective market share);
- the Company adopts false advertising methods, having the purpose of generating a misleading situation among customers and damaging a certain *competitor* (for example, by advertising a product having certain characteristics that are actually not true).

Illegal competition with threats or violence (Art. 513-*bis* of the Italian Criminal Code)

This type of crime materialises when anyone, in exercising a commercial, industrial or production activity, completes acts of competition with violence or threats.

The acts of competition envisaged by the law are not in themselves illegal, in the case of initiatives performed legally in order to produce or sell more than the competition. Such acts become illegal if they are completed with violence or using physical energy on the individual or on property, or they are implemented with threats; therefore, all violent (statistically infrequent) or intimidatory acts of competition against *competitors* operating in the same sector assume criminal significance.

Those acts, to assume criminal significance, do not necessarily have to be aimed at a competing entrepreneur, but may even be directed at third parties (for example, current or potential customers/users or collaborators of the entrepreneur). The intimidatory activity, for example, make take shape through typical competitive conduct that lends itself to being implemented with oppressive means.

Fraud in the exercise of trade (Art. 515 of the Italian Criminal Code)

This type of crime materialises when, in the exercise of a commercial activity, a person delivers to the purchaser one mobile item for another, or a mobile item, by origin, provenance, quality or quantity, that differs from what was declared or agreed.

Therefore, in the crime of fraud in trade, the typical conduct described by the rule consists of two aspects: the delivery in the strict sense and the objective qualities of the asset delivered. It is also essential for such dishonest trade, in order to be configurable, not to be extraneous to a habitual activity, thus not to be limited to a single delivery, momentary and occasional.

Sale of industrial products with false signs (Art. 517 of the Italian Criminal Code)

This type of crimes materialises when a person places on sale or in circulation intellectual works or industrial products with names, trademarks or logos, national or foreign, aimed at misleading the purchaser on the origin, provenance or quality of the work or product.

For example, the circumstance in question occurs when placing on sale, or in any case in circulation, goods and equipment with a counterfeit CE mark.²⁴

Manufacture and trade of goods created usurping industrial property rights (Art. 517 *ter* of the Italian Criminal Code)

This type of crime materialises when:

- a person, being able to know of the existence of the industrial property right, manufactures or uses industrially objects or other goods created usurping an industrial property right or in infringement of the same;
- a person, in order to obtain a profit from it, introduces into the State territory, holds for sale, places on sale with direct offer to consumers or in any case places into circulation goods created usurping an industrial property right or in infringement of the same.

RISK AREAS IDENTIFIED

The main risk areas identified in relation to the crimes described in this chapter are:

- MBD and Product Management;
- Procurement;
- Sales & After Sales;
- Operations;
- Legal.

RULES OF CONDUCT, PROCEDURES AND CONTROL MEASURES.

The Company Code of Ethics lays down rules of conduct for the Corporate Bodies, Employees and Consultants, in order to prevent and impede criminal conduct that may constitute the circumstance of crime of disturbed freedom of trade and industry and illegal competition with threats or violence.

The Group Code of Ethics reiterates, in general, the obligation to operate in respect of existing laws and professional ethics, and draws the attention of the Recipients to the opportunity to maintain in all situations behaviour based upon the utmost fairness in relationships with third parties in general and with *competitors* in particular.

Furthermore, again in respect of the Code of Ethics, it is prohibited for employees to use any information, documentation or data, and to manage the same via the company network drives, as well as on any electronic medium assigned to employees, other than data and information forming part of the Company's wealth of information.

Relationships with customers

²⁴ On the point, Crim. Cass. **Sect. III** Criminal, Judgment 6 July 2016, no. 27782, according to which the crime of sale of industrial products with false signs involves “*the placement on sale or in any case in circulation of goods with counterfeit CE mark, as the affixing of the latter has the function of certifying the conformity of the product to the essential safety and quality requirements envisaged for the circulation of goods in the market*”.

Relationships with customers are based upon principles of transparency, fairness and good faith and respect of the agreed contractual terms.

The commercial terms are established by decision-making processes that can be reconstructed over time and are authorised exclusively by persons having suitable powers according to a system of delegations and powers of attorney coherent with the organisational and management responsibilities.

Operations relating to purchases and quality control of raw materials.

The function in charge of purchasing raw materials and semi-finished products:

- acquires information on the quality of the products, as well as qualitative indications and any product certifications, in order to ascertain that the same reflect the real characteristics of the product;
- ensures the systematic update of the contractual *standards* protecting industrial property coherent with evolutions of the legislation in force;
- enters, in the case of products not trademarked or patented by the supplier, clauses aimed at ensuring the commitment by the supplier to communicate without delay any disputes originating from third parties regarding the ownership of industrial property rights or logos, or disputes by other purchasers regarding the characteristics or logos of the goods supplied;
- interrupts the relationships with the supplier and recalls the good from production in the event of a clear infringement of intellectual property by the supplier itself and in the absence of an agreement with the third party allowing the Company legitimately to use the intellectual property of the latter.

Operations relating to research and development and sales and distribution activity of products

In relation to the research and development and sales and distribution activities of its products, the Company structures involved:

- a) verify, by the most appropriate methods, that the idea used in one or more parts of the product, the composition of the product, the production process used, the equipment used and the final product are not the reproduction of designs and models, inventions, patented or registered processes, national or foreign, owned by others. In the event of a suspected infringement, the Company completes all appropriate assessments to verify the infringement before marketing the product or making the patent application. The Supervisory Body is immediately informed of the event;
- b) verify that all deeds, requests and communications aimed at filing patent and trademark registration applications are complete;
- c) update the register of all patents owned by the Company in order to monitor the expiries of protection of the same and to renew them, where necessary;
- d) identify the law firms and/or external consultants which support the Company in the activity of monitoring and protecting the trademarks and patents of the Company based upon requirements of professionalism and experience. The relationship with the external consultant is formalised in a contract that envisages specific clauses which indicate clear responsibilities in relation to the lack of respect of this Special Section of the Company Model.

Operations relating to quality control and certification activity

In relation to activities of product quality control and certification activity, the company has seen fit to adopt a specific *flow chart*, so as to guarantee the tracking of the activities and the segregation of the various duties of the company structures involved.

In that regard, the structures in charge are responsible for ensuring that:

- a) the products marketed by the Company are compliant with the standards imposed by industry regulations;
- b) the transparency and truthfulness of the information provided to the market on the products developed and marketed by the Company is guaranteed;
- c) it is strictly prohibited to create products characterised by false certifications of conformity;
- d) the relationship with certifying bodies is based upon the utmost transparency and fairness, avoiding acts or conduct likely to alter their judgement in order to obtain the recognition of certification of the product characteristics;
- e) the identification and traceability of the product is guaranteed during all production phases;
- f) information on the product quality is recorded and managed throughout the whole production process;
- g) any product non-conformities reported to the Company by end users are promptly investigated and resolved, in order to avoid marketing products with different characteristics or those not corresponding to regulatory parameters.

Operations relating to relationships with competitors:

All employees and collaborators of DNIT operate to ensure that relationships with competitors are always fair and respectful of the freedom of economic initiative of others, as well as being based upon respect of the procedures and the Code of Ethics adopted by the Company.

SUPERVISORY BODY CONTROLS

The Supervisory Body has the powers to perform specific checks, even as a result of reports received; the Body also has the right to access all company documentation available on the subject, with no obligation to provide prior notice.

The Company has also established information flows suitable to allow the latter to acquire useful information for monitoring activities potentially at risk of crimes against trade and industry.

The Supervisory Body, in carrying out the activities indicated above, may make use of all competent resources in that regard and, in particular, the Group "*Regulatory Affairs*" structure.

CHAPTER 16

CRIMES OF SMUGGLING

The innovations contained in Italian Legislative Decree no. 75 of 14 July 2020, implementing the so-called PFI Directive on the fight against fraud to the Union's financial interests, include the introduction into the 231 Decree of Art. 25 *sexiedecies* with which some institutions of customs law are inserted into the list of 231 crimes, such as “smuggling” envisaged by Italian Presidential Decree no. 43 of 23 January 1973.

The regulation that governs customs exchanges is contained in Italian Presidential Decree no. 43 of 23 January 1973 (known as Consolidated Customs Law). Based upon the aforementioned legal text, there are so-called customs duties, defined as “*indirect taxes applied on the value of products imported and exported from the Country that imposes them*”. Those duties are applied to all those products originating from countries not forming part of the EEC (European Economic Community), such as - merely by way of example - China or the United States.

Customs duties represent one of the resources of the European Union that flow directly into the unitary budget, while customs fees correspond to those fees that Customs may collect *ex lege* based upon daily customs operations.

The Consolidated Customs Law at Articles 36 et seq. contains the presuppositions that give rise to the crime of smuggling, seen as “*the conduct of those who introduce into the State territory, in violation of the customs rules, goods that are subject to border duties*”.

It should therefore be noted that the aforementioned article has been subject to decriminalisation pursuant to Italian Legislative Decree 8/2016. In fact, it states, at Articles 282, 291, 292, 293 294 of the Consolidated Customs Law, that those offences are now punished with an administrative sanction, of which the legal minimum is 5,000 Euros, while the maximum is 50,000 Euros.

The only article that has not been decriminalised is Art. 295 which identifies cases of aggravated smuggling. In particular, the most interesting circumstance in our case appears to be that indicated in the final paragraph of Art. 295 of the Consolidated Customs Law, which envisages imprisonment of up to three years if the amount of border duties due exceeds fifty thousand Euros.

It follows that Art 25 *sexiesdecies* regulates corporate liability only for cases of aggravated smuggling, envisaging for them sanctions consisting of financial penalties and bans.

The financial penalties differ depending on whether or not the border duties due exceed one hundred thousand Euros, a threshold beyond which the damage to the Union's financial interests is deemed to be considerable. If the violation exceeds one hundred thousand Euros, the applicable sanction is up to four hundred shares; if, on the other hand, the amount of the violation is less, it is equal to two hundred shares. In the most serious cases, these penalties may be supplemented by bans, such as the prohibition on contracting with the PA, the exclusion from benefits, loans, contributions, grants and revocation of benefits already granted, as well as the prohibition on advertising services.

RISK AREAS IDENTIFIED

The identification of the areas of activity potentially at risk of the criminal circumstances included in Art. 25-*sexiesdecies* of Italian Legislative Decree 231/2001 occurring is to be assessed in light of the typical nature of the circumstance of crime as, more specifically, it is necessary to understand the relationship that exists between the customs agent and the company.

On this issue, the sensitive activities identified with reference to the crimes cited by Art. 25 *sexiesdecies* of Italian Legislative Decree 231/01 fall within the field of management:

- of commercial trade;
- of shipments;
- of customs duties;
- of distribution;
- of transportation.

RULES OF CONDUCT, PROCEDURES AND CONTROL MEASURES.

The Company, in compliance with the requirements of its Code of Ethics, is committed to fulfilling completely and transparently all customs obligations for which it is responsible.

In that regard, all those who operate in the areas indicated above must comply with the following principles:

- respect of laws and regulations in force, ethical principles and existing procedures;
- traceability and documentation of relationships held in the management of commercial trade, with particular regard to the transportation and shipment of goods;
- respect of company responsibilities and the system of delegations in place. In particular, the management of the relationships in question and any communications sent to the Customs Agencies must occur exclusively by the competent company functions in respect of the powers granted;
- correct and scrupulous use of IT procedures;

Furthermore, the company protocols require the scrupulous verification of the correctness and completeness of the documentation certifying the origin and authenticity of the product, as well as the times and methods of entry of the goods.

SUPERVISORY BODY CONTROLS

The Supervisory Body has the power to perform specific checks, also as a result of reports received; the Body also has the right to access all company documentation available in the matter, with no obligation to provide prior notice.

The Company has also established information flows suitable to allow the latter to acquire useful information for monitoring activities potentially at risk of crimes of smuggling.

The Supervisory Body, in carrying out the activities indicated above, may make use of all competent resources in that regard. Furthermore, based upon the duties attributed to it, it enjoys free access to the archives of the functions that operate in the relevant areas, as well as, in general, to all company documentation considered relevant.

