

**Organization, Management and Control Model
 Structure**

as per Legislative Decree no. 231/2001 integrated with art. 30 of Legislative decree no. 81/08

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Edition	Date	Nature of amendment
2	17/03/20	General revision
1	28/10/16	General revision
0	28/02/07	First issue

WRITTEN BY	APPROVED BY
Chairman of the Board of Directors (CdA)	Board of Directors
<i>Francesco Basso</i>	<i>resolution of 17.03.2020</i>

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1 Preliminary remarks

The Board of Directors (CdA) of COELME S.p.A. took into careful consideration the legislative measures of the Italian government concerning administrative liability and, in particular, Legislative Decree no. 231/01, which establishes offence-related liability lying with institutions provided with legal personality, such as COELME S.p.A.

Said liability originates from the commission of specific offences (known as predicate offences), on the part of top managers of the organization or by persons subject to their direction and/or supervision, where they are committed in the interest and/or to the advantage of the institution itself.

The danger of this form of liability is well explained by its effects, sometimes even by interdictory measures on both the activities and the image of the Company, especially given the continuous increase in the types of predicate offences which are included amongst those falling within the Company's liability.

For example, crimes of manslaughter (art. 589 of the Italian Criminal Code) and serious personal injury and grievous bodily harm (art. 590, par 2 and 3 of the Italian Criminal Code), committed in violation of the rules on the protection of health and safety at work, are events unwanted by definition, which can occur, however, due to imprudence and/or inexperience and, therefore, independently of the usual controls performed by the entrepreneur, thus increasing the likelihood that the Company may incur the risk of such offences, if a system for the management and control of business activities designed to prevent them has not been implemented.

The Board of Directors, therefore, deemed it necessary to provide the Company with an Organization, Management and Control Model ("MOG") pursuant to articles 6 and 7 of Legislative Decree no. 231/01 integrated with the provisions of art. 30 of Legislative Decree no. 81/08, update it and, above all, apply the relevant provisions over time in order to:

- achieve an organizational and management structure that ensures an efficient prevention against predicate offence risks in the exercise of the business activities;
- qualify for the exemption from administrative liability in the unfortunate event of predicate offence commission;
- prepare an effective defense in case of proceedings against the Company, especially in the event of precautionary interdictory measures.

The MOG adopted by COELME S.p.A. is composed of two sections:

The **GENERAL SECTION** containing the essential data of the Company and its activities, as well as the policies adopted for the conduct of business activities and the identification of reference people to which the organization refers to for the management, technical and administrative aspects involved, including those concerning health, safety at work and environmental protection, among others.

The **SPECIAL SECTION**, comprising several chapters and sub-sections, describing the actions taken to address the regulatory provisions considered in the elaboration of the MOG, the principles and methods followed in carrying out predicate offence risk analysis and assessment and, eventually, the operating procedures which, together with the relevant protocols aiming at preventing the commission of predicate offences, regulate the different business processes, with reference to the decisions made, their implementation, as well as the inspections carried out by the monitoring bodies involved.

In the drafting of the special section, specific references were made to the decisions of magistrates in similar cases, in order to implement guidelines and useful elements for the preparation of protocols to prevent the risks of predicate offence commission.

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The special section is divided in two sub-parts:

- **PART I: PREDICATE OFFENCE RISK ANALYSIS AND ASSESSMENT**
 - Introduction
 - Section I: DECISION-MAKING AND IMPLEMENTATION PROCESSES
 - Section II: RELATIONS WITH SUBSIDIARIES AND JV COMPANIES
 - Section III: ENVIRONMENTAL PROTECTION
 - Section IV: PRIVACY AND IT SYSTEMS
 - Section V: HEALTH AND SAFETY AT WORK
 - Section VI: MAPPING OF BUSINESS FUNCTIONS AT RISK FOR THE COMMISSION OF PREDICATE OFFENCES

- **PART II:**
 - Section I: CORPORATE PROCEDURES AND PREVENTION PROTOCOLS
 - Section II: SUPERVISORY BOARD
 - Section III: DISCIPLINARY SYSTEM
 - Section IV: INFORMATION SYSTEM
 - Section V: TRAINING PROGRAM
 - Section VI: CONTINUOUS MONITORING

This analytical subdivision and the section-based organization of the MOG make the training of staff and the prevention of predicate offences more effective and, in the process of implementation, allow for the continuous updating only of the parts that actually need to be modified, to make sure that the procedures, with their protocols, can adapt, at any time, to the changes of the Company's organizational and operational structures, as expressly provided for and required by the relevant judiciary measures in force.

Moreover, this approach allows for the implementation of more careful and precise controls on the application of the MOG and its prevention protocols, by the various institutions and business professionals, as well as monitoring and supervisory bodies.

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2 Organization, Management and Control Model (MOG) structure

The MOG, therefore, includes the following parts:

- **GENERAL SECTION**
- **SPECIAL SECTION**
 - **PART I: PREDICATE OFFENCE RISK ANALYSIS AND ASSESSMENT**

Introduction

Section I:	DECISION-MAKING AND IMPLEMENTATION PROCESSES
Section II:	RELATIONS WITH SUBSIDIARIES AND JV COMPANIES
Section III:	ENVIRONMENTAL PROTECTION
Section IV:	PRIVACY AND IT SYSTEMS
Section V:	HEALTH AND SAFETY AT WORK
Section VI:	MAPPING OF BUSINESS FUNCTIONS AT RISK FOR THE COMMISSION OF PREDICATE OFFENCES
 - **PART II:**

Section I:	CORPORATE PROCEDURES AND PREVENTION PROTOCOLS
Section II:	SUPERVISORY BOARD
Section III:	DISCIPLINARY SYSTEM
Section IV:	INFORMATION SYSTEM
Section V:	TRAINING PROGRAM
Section VI:	CONTINUOUS MONITORING
- **ANNEXES**

Part II , Section I of the MOG includes, in addition to the procedures of general application, such as:

- NIC Q 424 Records
- IO_S 84 Information flows to the Supervisory Board
- IO_S 93 Acronyms

The following company procedures which define the specific operational protocols to prevent the commission of predicate offences:

Organization, strategy and business policy

- | | |
|---------|---|
| IO_S 91 | Organization, strategy and business policy |
| IO_S 92 | Shareholding, control and connection with other Companies and relation management |

Organization and management of financial resources

- | | |
|---------|--|
| IO_S102 | Organization and management of financial resources |
| IO_S 94 | Decision-making and implementation of loans |

Sales processes

- | | |
|----------------|---|
| NIC Q 720 | Offer |
| NIC Q 721 | Contract management |
| IO_S 36 | Service and contracting |
| IO_S 75 | Management of accounting/tax documentation of contracts subject to traceability of payments |
| IO_S 78 | Group's companies morders management |
| <u>IO S104</u> | <u>Compliance with United States export and trade laws</u> |

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IO_S106 Compliance with EU origin, export and trade goods laws

Purchasing

NIC_Q 740	Procurement
NIC_Q 830	Non-compliance items and complaints
IO_S 44	Orders' issue and management
IO_S 24	Use of external copy centers
IO_S 40	Contracting
IO_S 50	Warehouse management
IO_S 62	Insulator purchase management
IO_S 63	Order headers and notes
IO_S 75	Management of accounting/tax documentation of contracts subject to traceability of payments
IO_S 78	Group's companies morders management

Environmental protection

NIC A 432	Legal requirements, measures and compliance with the legislation
IO_S 29	Waste management
IO_S 30	Management of dangerous chemicals
IO_S 54	Sulphur hexafluoride SF ₆
IO_S 80	Oil and emulsion spills emergency
IO_S 81	Atmospheric emissions
IO_S 82	Ozone layer

Privacy and information systems

IO_S 85	Management of information systems
IO_S 98	Privacy

Safety at work

NIC A 432	Legal requirements, measures and compliance with the legislation
NIC A 446	Operational control
NIC S 431	Risk assessment for health and safety at work
NIC S 453	Accidents: fulfillments and investigations
IO_S 30	Management of dangerous chemicals
IO_S 31	Emergencies
IO_S 39	Third party visits and accesses
IO_S 40	Contracting
IO_S 51	Personal protective equipment: adoption and management
IO_S 87	Regular coordination meeting on safety pursuant to art. 35 of Legislative Decree no. 81/08
IO_S 88	Health surveillance
IO_S108	Collection of hazard sources tabs
IO_S109	Collection of company's processes tabs

Monitoring Bobies

IO_S101	Public officials and monitoring bodies
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Account Closing

NIC Q 601	Account Closing
NIC Q 602	Statutory Auditors and Auditing firm
IO_S 96	Profit allocation and operations on the share capital

Management of human resources

NIC Q 600	Company regulation and disciplinary code
NIC Q 622	Competence, training and awareness

The revision index of is indicated in the latest edition of each procedure.

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The procedures are checked, both in content and in their application, during the internal and external audits carried out by the corporate monitoring bodies, third parties and/or by the Supervisory Board ("OdV")

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3 Annexes to the MOG

The following documents, updated to the latest issued version, as resulting from the minutes of the resolutions of corporate bodies and/or deposited with the competent public bodies (Company Register, Chambers of Commerce, etc ...) are annexes to the MOG:

Company's Articles of Association

Chamber of Commerce Company Registration

Risk Assessment Documentation pursuant to Legislative Decree no. 81/08

Shareholders' Meeting resolutions

Appointment of Administrative body

Appointment of Statutory Auditors

Appointment of Auditing Firm

Board of Directors's resolutions

Resolution on the appointment of the Chairman of the Board of Directors, powers of representation, Honorary President

Resolution on the appointment of the Employer for Safety

Resolution on the appointment of the Environmental Protection Manager

Resolution on MOG adoption

Identification and appointment of Supervisory Board ("OdV") members.

Special proxies conferred by the Chairman of the Board of Directors

Special proxy conferred upon Ms Orietta Barzon

Special proxy conferred upon Ms Barbara Bigi

Special proxy conferred upon Mr Mirco Biesso (engineer)

Special proxy conferred upon Mr Giorgio Camiciola (engineer)

Special proxy conferred upon the Environmental Protection Manager ("RA"), Mr Giovanni Faoro (engineer)

Special proxy conferred upon the Employer's Deputy for Safety ("DDL"), Mr Giovanni Faoro (engineer)

Information and training activities

Training plans

OdV

Letters of assignment to the members of the OdV

IO_S107 OdV regulation