

**ORGANISATION, MANAGEMENT AND  
CONTROL MODEL PURSUANT TO  
LEGISLATIVE DECREE 231/01 OF  
PQE S.r.l.**

Approved by resolution of the Board of Directors of May 30, 2018

## TABLE OF CONTENTS

1) INTRODUCTION .....	4
2) THE LEGISLATIVE DECREE No. 231 OF JUNE 8, 2001 .....	5
3) ADOPTION OF THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL AS A CONDITION FOR EXEMPTING THE ENTITY FROM THE LIABILITY .....	11
4) DESCRIPTION OF P.Q.E S.r.l COMPANY .....	12
4.1) <i>The organisational structure of PQE. S.r.l.</i> .....	14
4.2) <i>Governance instruments of PQE S.r.l.</i> .....	14
4.3) <i>The Code of Ethics</i> .....	15
5) ORGANIZATION, MANAGEMENT AND CONTROL MODEL AND METHODS USED FOR THE DRAFTING .....	16
5.1) <i>Preliminary remarks</i> .....	16
5.2) <i>The project for the realisation of the model</i> .....	17
6) SUPERVISORY BOARD .....	21
6.1) <i>Identification, location and operating requirements</i> .....	21
6.2) <i>Functions and powers of the SB</i> .....	23
6.3) <i>Identification of the SB</i> .....	27
6.4) <i>The information flow to the SB</i> .....	30
6.5) <i>The reporting by the SB to the corporate bodies</i> .....	35
6.6) <i>The ethical rules that govern the activity of the SB</i> .....	36
7) TRAINING, INFORMATION ACTIVITIES AND AWARENESS RAISING.....	37
8) GUIDELINES OF THE PENALTY SYSTEM .....	39
8.1) <i>(a) employees – (b) executives</i> .....	39
8.2) <i>Board of Directors</i> .....	41
8.3) <i>Agents and external Collaborators</i> .....	42
9) MANAGEMENT OF FINANCIAL RESOURCES .....	42
10) MANAGEMENT AND COORDINATION OF THE OTHER GROUP COMPANIES .....	45
11) APPLICABLE CRIMES .....	47
<b>II - SPECIAL SECTION</b> .....	48
1. CRIMES COMMITTED IN RELATIONS WITH THE PUBLIC ADMINISTRATION (ART. 24 AND ART. 25, LEGISLATIVE DECREE 231/01) .....	52
2. CYBERCRIMES AND UNLAWFUL DATA PROCESSING (ART. 24 BIS, LEGISLATIVE DECREE 231/2001) AND COPYRIGHT INFRINGEMENT CRIMES (ART. 25 NOVI, LEGISLATIVE DECREE 231/01)) .....	60
3. CORPORATE CRIMES AND CRIME OF INDUCEMENT TO REFRAIN FROM MAKING STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE LEGAL AUTHORITIES.....	65
4. MARKET ABUSE (ART. 25 SEXIES, LEGISLATIVE DECREE 231/01) .....	71
5. CRIMES COMMITTED IN BREACH OF ACCIDENT PREVENTION RULES AND RULES ON	

OCCUPATIONAL HEALTH AND SAFETY (ART. 25 SEPTIES, LEGISLATIVE DECREE 231).....	75
6. CRIMES OF HANDLING STOLEN GOODS, MONEY LAUNDERING AND USE OF MONEY, GOODS OR PROPERTY OF UNLAWFUL ORIGIN (ART. 25 OCTIES, LEGISLATIVE DECREE 231/01) .....	86
7. NATIONAL AND TRANSNATIONAL ORGANISED CRIME .....	90
8. CRIME OF EMPLOYING ILLEGALLY-RESIDENT THIRD COUNTRY NATIONALS (ART. 25 DUODECIES, LEGISLATIVE DECREE 231/01).....	95
<b>III - CONCLUSIONS</b> .....	98

### ANNEXES

- **Annex 1:** Form stating the knowledge of the Model
- **Annex 2:** Code of Ethics
- **Annex 3:** Appendix containing the list of relevant predicate crimes pursuant to Legislative Decree 231/01.

The Quality Manual, the Company Organization Chart and all the Company Procedures mentioned in the Special Section are an integral part of this Model, including the following: *New Resource Management Procedure (WS-011); Expense Management (WS-004); Purchase Management (FA-001); Internal Audits (QA002); Expense Control Management (WS-010); Penalty Control Management (WS-014); IT Security Policy (POL001); General IT Security Policy (IT005); Skype PQE Business Account; Third Party Auditing Management (QA007); Environmental Health and Safety Policy (POL005); Supplier Qualification (QA006); Customer Care (BD002).*

The aforementioned procedures are available on the intranet site of the Company. Hard copies can be requested by employees in the Company administrative offices.

## I GENERAL SECTION

### 1) INTRODUCTION

Legislative Decree 231 of June 8, 2001 setting out “*Regulations on the administrative liability of legal entities, companies and associations with or without legal personality, in accordance with Article 11 of Law No. 300 dated 29 September 2000*”, hereinafter referred to as (“**Legislative Decree 231**”), finds its genesis in some international and European conventions ratified by Italy which impose some regulations on the liability of collective entities for a number of crimes.

In fact, according to the legislation introduced by Legislative Decree 231, companies may be held "liable" for some crimes committed or attempted, in the interest or for the benefit of the companies themselves, by representatives of the top management (the so-called "subjects in top managerial position" or simply "top managerial subjects") and by those who are managed or supervised by the subjects mentioned above (art. 5, paragraph 1, of Legislative Decree 231)<sup>1</sup>.

The administrative liability of the entity is independent of the criminal liability of the natural person who committed the crime and stands alongside it.

This extension of liability essentially aims at involving in the penalty of a number of crimes the assets of the companies and, ultimately, the economic interests of the shareholders who, until the entry into force of the decree, did not suffer any direct consequences from the perpetration of crimes committed by directors and/or employees

---

<sup>1</sup> Art. 5, par. 1, of Legislative Decree 231: “Liability of the entity – The entity is liable for the crimes committed in its interest or for its benefit: a) by subjects who hold representative, administrative or managerial positions in the entity in question, or in one of its financially and functionally independent organisational units, or subjects responsible (including de-facto) for the management and control of the said entity; b) by subjects managed or supervised by one of the persons referred to in letter a)”.

in the interest or for the benefit of their own company.

Pursuant to Legislative Decree 231, companies are subject, directly and autonomously, to financial penalties and/or interdiction for any crimes committed by individuals functionally linked to the Company pursuant to art. 5 of Legislative Decree 231.

Nevertheless, the administrative liability is excluded if the Company has adopted and effectively implemented, before the perpetration of the crimes, Organization, Management and Control Models suitable for preventing crimes of the same kind.

This liability is, in any case, excluded if the top managerial subjects and/or their subordinates acted in their exclusive interest or in the interest of third parties<sup>2</sup>.

## **2) THE LEGISLATIVE DECREE No. 231 OF JUNE 8, 2001**

Pursuant to Legislative Decree 231/2001 (also "**Legislative Decree 231**"), the entity may be held liable only for the crimes expressly referred to in articles 23, 24, 24 bis, 24 ter, 25, 25 bis, 25 bis 1, 25 ter, 25 quater, 25 quater 1, 25 quinquies, 25 sexies, 25 septies, 25 octies, 25 novies, 25 decies , 25 undecies, 25 duodecies and 25 terdecies, if committed in its interest or to its advantage by the subjects qualified pursuant to art. 5, paragraph 1, of Legislative Decree 231.<sup>3</sup>

The crimes referred to in Legislative Decree 231 may be included, for convenience, into

---

<sup>2</sup> Art. 5, par. 2, of Legislative Decree 231: "Liability of the entity – The entity is not liable if the subjects mentioned in paragraph 1 acted in their exclusive interest or in the interest of third parties".

<sup>3</sup> Article 23 of Legislative Decree 231 also provides for a penalty of the entity if, when performing an activity for an entity for which penalties or precautionary measures have been applied, it violates the obligations or prohibitions inherent to such penalties or measures.

the following categories <sup>4</sup>:

- crimes committed in dealings with the Public Administration (such as bribery, extortion, misappropriation of funds from the State, fraud perpetrated against the State and computer fraud against the State, referred to in Articles 24 and 25 of Legislative Decree 231)<sup>5</sup>;
- cybercrimes and unlawful data processing (such as, for example, abusive access to a computer or telematics system, installation of equipment designed to intercept, prevent or interrupt computer or telematics communications, damages to computer or telematics systems referred to in art.24 *bis* of Legislative Decree 231) <sup>6</sup>;

---

<sup>4</sup> Art. 24 bis was modified by law decree No. 93 of August 14, 2013 that introduced into the provisions of Legislative Decree 231 the crimes for unlawful data processing pursuant to art. 167 of Legislative Decree 196/2003, falsehood in the declarations to the Guarantor pursuant to art. 168 of Legislative Decree 196/2003, inobservance of the provisions of the Guarantor pursuant to art. 170 of Legislative Decree 196/2003. Nevertheless, this law decree was not subsequently converted into law in the part relating to these crimes.

<sup>5</sup> They are the following crimes: misappropriation of funds from the State or the European Union (art. 316-bis of the Italian Criminal Code), undue receipt of benefits to the detriment of the State (art.316-ter of the Italian Criminal Code), aggravated fraud to the detriment of the State (art 640, paragraph 2, no. 1, of the Italian Criminal Code), aggravated fraud for the purpose of obtaining public funds (Art. 640-bis of the Italian Criminal Code), computer fraud against the State or other public body (Article 640-ter of the Italian Criminal Code), bribery for the performance of duties (Articles 318, 319 and 319-bis of the Italian Criminal Code), bribery of a person in charge of a public service (Article 320 of the Italian Criminal Code), corruption in judicial acts (Article 319-ter of the Italian Criminal Code), incitement to bribery (Article 322 of the Italian Criminal Code), extortion (Article 317 of the Italian Criminal Code), illegal inducement to give or promise benefits (Article 319-quater of the Italian Criminal Code); bribery, incitement to bribery and extortion of members of the European Communities, officials of the European Communities, of foreign Countries and international public organizations (art. 322-*bis* of the Italian Criminal Code).

<sup>6</sup> Art. 24-bis was introduced into Legislative Decree 231 by art. 7 of law 48/2008. They are crimes of forgery in a public electronic document or a document having evidentiary value (art. 491-bis of the Italian Criminal Code), abusive access to a computer or telematics system (art. 615-ter of the Italian Criminal Code), unauthorized possession and distribution of access codes to computer or telematics systems (Article 615-quater of the Italian Criminal Code), distribution of computer equipment, devices or programs for the purpose of damaging or blocking a computer or telematics system (Article 615-quinquies of the Italian Criminal Code), wiretapping, blocking or illegally interrupting telematics or computer communications (art. 617-quater of the Italian Criminal Code), installation of devices aimed at wiretapping, blocking or interrupting telematics or computer communications (art. 617-quinquies of the Italian Criminal Code), damaging computer information, data and programs (art. 635-bis of the Italian Criminal Code), damaging computer information, data and programs used by the State or any other public body or by a body providing public services (art. 635-ter of the Italian Criminal Code), damaging computer or telematics systems (art. 635-quater of the Italian Criminal Code), damaging computer or telematics systems providing public services (art.635-quinquies of the Italian Criminal Code) and computer fraud by providers of electronic signature certification services (art.640-quinquies of the Italian Criminal Code).

- crimes against public faith (such as, forgery of money, public credit instruments, revenue stamps and distinctive marks and instruments, referred to in art. 25 *bis* of Legislative Decree 231)<sup>7</sup>;
- crimes against industry and trade (such as disruption of freedom of industry and trade, fraud in the exercise of trade, sale of industrial products with false marks, referred to in art.25 *bis*. 1 of Legislative Decree 231)<sup>8</sup>;
- corporate crimes (such as, false corporate communications, impeded control, unlawful influence over the shareholders' meeting, referred to in art. 25-ter of Legislative Decree 231, modified with Law 262/2005, with Legislative Decree 39/2010, with Law 69/2015 and, more recently, with Legislative Decree. 38/2017)<sup>9</sup>;

<sup>7</sup> Art. 25-bis was introduced into Legislative Decree 231 by art. 6 of Law Decree 350/2001, converted into law, with amendments, by art. 1 of Law 409/2001. Forgery of money, spending and import into the State, through intermediaries, of forged money (art. 453 of the Italian Criminal Code), forging money (art. 454 of the Italian Criminal Code), spending and import into the State, without intermediaries, of forged money (art. 455 of the Italian Criminal Code), spending of forged money received in good faith (art. 457 of the Italian Criminal Code), forging of revenue stamps, importing into the State, purchasing, possessing or circulating of forged revenue stamps (art. 459 of the Criminal Code), forgery of watermarked paper used to produce public credit instruments or revenue stamps (art.460 of the Italian Criminal Code), manufacture or possession of watermarks or instruments intended for forging money, revenue stamps or watermarked paper (Article 461 of the Italian Criminal Code), use of counterfeit or forged revenue stamps (Article 464 of the Italian Criminal Code). The regulatory provision was then extended to include counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs (Article 473 of the Italian Criminal Code), import into the State and sale of products with false signs (Article 474 of the Italian Criminal Code) with the modification introduced by art. 17 par. 7 letter a) no. 1 of the law of 23 July 2009.

<sup>8</sup> Art. 25-bis 1. was introduced by art. 17, paragraph 7, letter b), of the law of 23 July 2009, No. 99; in particular, disruption of freedom of industry or trade (art. 513 of the Italian Criminal Code), illegal competition with threats or violence (art. 513 bis), fraud against national industries (art. 514 of the Italian Criminal Code), fraudulent trading (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 misleading signs (art. 517 of the Criminal Code), manufacture and trade of goods made by misappropriating industrial property rights (art. 517-ter), infringement of geographical indications or designations of origin for agri-food products (art. 517 quater), Art.4 Law 350/03.

<sup>9</sup> Art. 25-ter was introduced into Legislative Decree 231 by art. 3 of Law Decree 61/2002. They are crimes of false company statements, minor instances and false company statements by listed companies (articles 2621, 2621-bis and 2622 of the civil code), impeded control (article 2625, paragraph 2, of the civil code), fictitiously paid-up share capital (art. 2632 of the civil code), unlawful return of the capital (art. 2626 of the civil code), illegal allocation of profits and reserves (art. 2627 of the civil code), unlawful transactions involving shares or quotas of the company or the parent company (art. 2628 of the civil code), transactions to the detriment of creditors (art. 2629 of the civil code), failure to disclose a conflict of interest (art. 2629 bis of the civil code), improper allocation of company assets by liquidators (art. 2633 of the civil code), private-to-private corruption (art. 2635 of the civil code), unlawful influence on the shareholders' meeting (art. 2636 of the civil code), stock price manipulation (art. 2637 of the civil code), hindering public supervisory authorities from performing their functions (art. 2638 of the civil code). Legislative Decree 39/2010 repealed the provision of art. 2624 of the civil code setting out "False reporting or communications of the auditing companies", which was removed also from Legislative Decree 231. With the entry into force of Law 69/2015, the crimes for false corporate statements (art. 2621 of the civil code) and false corporate statements by listed companies (art. 2622 of the Italian civil code) were modified; in addition, art. 2621-bis setting out "Minor instances" was introduced into the list of predicate crimes pursuant to Legislative Decree 231. With the entry into force of Legislative Decree 38/2017: (i) the category of individuals to be punished for corruption was

- crimes for the purposes of terrorism and subversion of the democratic order (referred to in art. 25 *quater* of Legislative Decree 231);
- crimes against the individual (such as trafficking in persons, reduction or maintenance of a person in a state of slavery or servitude, referred to in art. 25 *quater*.1 and in art. 25 *quinquies* of Legislative Decree 231)<sup>10</sup>;
- market abuse crimes (abuse of privileged information and market manipulation, referred to in art. 25 *sexies* of Legislative Decree. 231)<sup>11</sup>;
- transnational crimes, such as criminal association, organized crimes (such as mafia-type associations, including the foreign ones, mafia vote-buying, kidnapping for extortion referred to in art. 24-*ter* of Legislative Decree 231) and crimes that obstruct justice, provided that the crimes themselves present the "transnationality" requisite<sup>12</sup>;

---

significantly extended, in relation to the crime of private-to-private corruption pursuant to art. 2635 of the Italian Civil Code, and the reference to "damage to the corporate" was removed, so that the punishment of the corruptive agreement is no longer subordinated to the occurrence of said "damage"; (ii) the new crime of incitement to bribery was introduced (art. 2635-bis of the Italian Civil Code), thus extending the list of sanctionable conducts, considering that with this reform the mere offer or promise of money or other benefits is also punished; (iii) pursuant to the new art. 2635-ter of the Italian Civil Code, the conviction for the crime of private-to-private corruption and incitement to bribery is in any case expected to result in the temporary interdiction from the executive offices of legal persons and companies.

<sup>10</sup> Art. 25-quinquies was introduced into Legislative Decree 231 by art. 5 of Law No. 228 of August 11, 2003. They are crimes for reduction or maintenance in slavery or in servitude (art. 600 of the Criminal Code), trafficking in persons (art. 601 of the Criminal Code), purchase and sale of slaves (art. 602 of the Criminal Code), illicit intermediation and exploitation of labour (art. 603-bis of the Criminal Code), crimes related to child prostitution (art. 600-bis of the Criminal Code), child pornography (art. 600-ter of the Criminal Code), possession of pornographic materials (art. 600-quater of the Criminal Code), tourist initiatives aimed at the exploitation of child prostitution (art. 600-quinquies of the Criminal Code), virtual pornography (art. 600 quater 1) and art. 609 undecies (grooming of minors). Art. 25-quater.1 was introduced by law n. 7 of 9 January 2006 and refers to the crime of female genital mutilation practices (art. 583 bis of the Italian Criminal Code).

<sup>11</sup> Art. 25-sexies was introduced into Legislative Decree 231 by art. 9, paragraph 3, of Law 62/2005. They are crimes of abuse of privileged information (art.184 Legislative Decree 58/1998) and market manipulation (art.185 Legislative Decree 58/1998).

<sup>12</sup> Transnational crimes were not included directly into Legislative Decree 231, but this legislation is applicable to them on the basis of art.10 of Law 146/2006. The aforementioned law considers as transnational crimes any crime punishable with imprisonment of not less than a maximum of four years, if an organized criminal group is involved, and if: a) the crime is committed in more than one State; b) it is committed in one State, but a substantial part of its preparation, planning, direction or supervision takes place in another State; c) or it is committed in a State, but an organised criminal group involved in criminal activities in one or more States is implicated; d) or it is committed in one State but it has significant effects in another State. They are crimes of criminal association (art. 416 of the Criminal Code), mafia-type association (art. 416-bis of the Criminal Code), criminal association involving the contraband of tobacco



- crimes relating to health and safety at work (manslaughter and personal injury through negligence in accordance with art. 25 *septies* of Legislative Decree 231)<sup>13</sup>;
- receiving stolen goods, laundering, self-laundering and using money, goods or benefits of unlawful origin (referred to in art. 25 *octies* of Legislative Decree 231)<sup>14</sup>;
- copyright infringement and related crimes (art. 25 *novies* of the Legislative Decree 231)<sup>15</sup>;
- crimes connected to inducement to refrain from making statements or to make false statements to the legal authorities (art. 25 *decies* of Legislative Decree 231)<sup>16</sup>;

---

processed abroad (art. 291-quater of Presidential Decree 43/1973), criminal association for the purposes of illegal trafficking of narcotics and psychotropic substances (Article 74 of Presidential Decree 309/1990), migrant trafficking (Article 12, par. 3, 3-bis, 3-ter and 5 of Legislative Decree 286/1998), inducement to refrain from making statements or to make false statements to the legal authorities (art. 377-bis of the Italian Criminal Code) and personal aiding (art. 378 of the Italian Criminal Code). With the entry into force, on 7 January 2017, of Law 236/2016, the new article 601-bis ("Trade in organs taken from a living person") was introduced into the Criminal Code, to which the regulation of article 416, paragraph 6, of the Italian Criminal Code ("Criminal Association") was extended. The legislator's choice was to insert art. 601-bis of the Italian Criminal Code in Legislative Decree 231 limited to alleged crimes pursuant to article 416, paragraph 6, without in any case providing for the mere punishment.

<sup>13</sup> Art. 25-septies of Legislative Decree 231 was introduced by Law 123/07. They are crimes of manslaughter and serious or very serious personal injuries committed in breach of the rules on the prevention of accidents at work and on safety and health in the workplace (articles 589 and 590, par. 3, Criminal Code).

<sup>14</sup> Art. 25-octies was introduced into Legislative Decree 231 by art. 63, paragraph 3, of Legislative Decree 231/07, and recently amended by Law No. 186 of 15 December 2014. They are crimes of receiving stolen goods (art. 648 of the Italian Criminal Code), money laundering (art. 648-bis of the Italian Criminal Code), use of money, goods or benefits of unlawful origin (art. 648-ter) and self-laundering (art. 648-ter 1. of the Italian Criminal Code).

<sup>15</sup> Art. 25-novies was introduced with Law No. 99 of 23 July 2009 "Regulations for the development and internationalisation of businesses, with particular reference to energy" and provides for the introduction of the decree of articles 171 first paragraph letter a), third paragraph, 171 bis, 171 ter, 171 septies and 171 octies of Law No. 633 of 22 April 1941 on "Protection of copyright and other rights related to its exercise".

<sup>16</sup> Art. 25-decies was included by article 4, paragraph 1, of Law No. 116 of 3 August 2009, which introduced into the provisions of Legislative Decree 231 the art. 377-bis of the criminal code setting out "Inducement to refrain from making statements or to make false statements to the legal authorities".

- crimes against the environment (referred to in art. 25 *undecies* of Legislative Decree 231 as recently amended by law 68/2015)<sup>17</sup>;
- Employment of illegally staying third-country nationals (art. 25 *duodecies* of Legislative Decree 231)<sup>18</sup>;
- crime of racism and xenophobia (art. 25 *terdecies* of Legislative decree 231)<sup>19</sup>.

<sup>17</sup> Art. 25-undecies was included by art. 2 of Legislative Decree No. 121 of 7 July 2011 which introduced a number of cases in the provisions of Legislative Decree 231 both in criminal forms (punishable as wilful misconduct) and in contraventional forms (punishable also as gross negligence), including: 1) art. 137 of Legislative Decree 152/2006 (Consolidated Act "Environment"): they are violations regarding administrative authorizations, controls and communications to the competent authorities for the management of discharges of industrial waste water; 2) art. 256 of Legislative Decree 152/2006: they are unauthorised waste management activities, such as collection, transport, recovery, disposal or, in general, the management of unauthorized waste activities in the absence of authorization or in breach of the provisions included in the authorizations; 3) art. 257 of Legislative Decree 152/2006: they are violations regarding the remediation of sites that cause pollution of the soil, subsoil and surface waters with concentrations exceeding the risk limit; 4) art. 258 of Legislative Decree 152/2006: it is a crime, punished as wilful misconduct, which sanctions the conduct of anyone who, in the drafting of a waste analysis certificate, provides false information on the nature, composition and the physical and chemical characteristics of the waste and anyone who uses a false certificate during transport; 5) articles 259 and 260 of Legislative Decree 152/2006: illegal traffic of waste both in simple and organized form; 6) art. 260 bis of Legislative Decree 152/2006: they are various criminal cases, punished as wilful misconduct, concerning computer system for controlling waste traceability (SISTRI), regarding anyone who, in the drafting of a waste analysis certificate, used for the SISTRI system, provides false information on the nature, the composition and the chemical and physical characteristics of the waste and uses a false certificate with a fraudulently altered printed or digital copy; 7) art. 279 of Legislative Decree 152/2006: hypotheses in which, in the operation of a plant, the permitted limit values for the emissions of polluting substances are exceeded and this also determines the exceeding of the air quality limit values. Furthermore, with the entry into force of Law 68/2015 setting out "Provisions relating to crimes against the environment", the following types of crime were introduced into the list of predicate crimes pursuant to Legislative Decree 231: Environmental pollution (art. 452-bis of the Italian Criminal Code); Environmental disaster (art.452-quater of the criminal code); Intentional crimes against the environment (art.452-quinquies of the Italian Criminal Code); Transport and disposal of high-level radioactive material (Article 452-sexies of the Italian Criminal Code); and aggravating circumstances (art.452-octies of the Criminal Code).

<sup>18</sup> Art. 25 duodecies was introduced by art. 2 of Legislative Decree No. 109 of 16 July 2012, which introduced into Legislative Decree 231 the art. 22, paragraph 12-bis, of the Legislative Decree No. 286 of 25 July 1998, according to which employers who employ foreign workers who do not have the residence permit, or whose permit has expired and for which renewal has not been requested within the period required by law, or has been revoked or cancelled, shall be liable to imprisonment for a term of six months to three years and a fine of € 5,000 for each worker employed. The penalties for the crime established by paragraph 12 are increased by a third to a half if three or more workers are employed, if the workers employed are under working age and, finally, if the workers employed are subject to the other exploitative working conditions identified in the third paragraph of Article 603-bis Criminal Code.

<sup>19</sup> Art. 25 terdecies was inserted by art. 5, paragraph 2, of Law No. 167 of 20 November 2017, which introduced in the provisions of Legislative Decree 231 the crime of racism and xenophobia referred to in Article 3, paragraph 3-bis, of Law No. 654 of 13 October 1975, which is applied in the event of (i) propaganda of ideas based on racial or ethnic superiority or hatred, or (ii) instigation to commit crimes of discrimination and / or violence for racial, ethnic, national or religious reasons. For the integration of the crime, it is necessary that the propaganda and incitement are committed so that there is a real danger of dissemination and are aimed, in whole or in part, at denying, minimizing or condoning the Shoah, crimes of genocide, crimes against humanity and war crimes, as defined by articles 6, 7 and 8 of the Statute of the International Criminal Court, ratified in accordance with Law No. 232 of 12 July 1999.

### 3) ADOPTION OF THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL AS A CONDITION FOR EXEMPTING THE ENTITY FROM THE LIABILITY

Art. 6 of Legislative Decree 231 establishes that the Entity shall not be liable for the crime committed in its interest or to its advantage if it proves to have "*adopted and effectively implemented*", before the perpetration of the crime, "*organization and management models* (further qualified as control models in art. 7 of Legislative Decree 231) *for the purpose of preventing crimes of the type in question*". The same rule also provides for the task of overseeing the operation and observance of the models and attending to their updating to be assigned to a control body within the entity. Such organization, management and control models (hereinafter referred to as "**Model(s)**"), pursuant to art. 6 paragraphs 2 and 3 of Legislative Decree 231, shall meet the following needs:

- identify areas/sectors of activity within which the possibility of committing the crimes envisaged in Legislative Decree 231/2001 exists;
- establish specific protocols or procedures aimed at programming the formulation and implementation of the decisions of the Entity in relation to the crimes to be prevented;
- identify financial resource management procedures for preventing the perpetration of crimes;
- define duties of information in relation to the body assigned to oversee the operation and observance of the models (hereinafter referred to as "**Supervisory Body**" or "**SB**");
- introduce an internal disciplinary system of sanctions for the non-compliance with the measures indicated in the Model.

If the crime is committed by individuals with functions of representation, administration

or direction of the Entity or of an organizational unit provided with functional autonomy, as well as by individuals who perform, even *de facto*, the management and control of the Entity itself, the Entity "is not liable if it proves" that:

1. the direction body adopted and effectively implemented, before the perpetration of the crime, a Model suitable for preventing crimes of the type in question;
2. the task of overseeing the operation and observance of the Model and attending to their updating was assigned to a Supervisory Body within the entity with autonomous powers of initiative and control;
3. the subjects committed the crime by fraudulently eluding the Model;
4. the supervision by the Supervisory Body was neither omitted nor insufficient;
5. if crimes are committed by individuals subject to the direction or supervision of one of the parties indicated above, the Entity is not liable if it proves to have adopted and effectively implemented a Model suitable for preventing crimes of the type in question. An effective control system inside the company is the one that reduces the risk of committing crimes in terms of reasonable safety, since it is impossible to create an "omnipotent" system that completely excludes the possibility that a natural person violates criminal law.

#### 4) DESCRIPTION OF P.Q.E S.r.l COMPANY

Pharma Quality Europe S.r.l. (hereinafter referred to as "PQE" or "PQE S.r.l.", or the "Company") was established in 1998. The Company developed rapidly, thus increasing the number of customers, the projects implemented and the internal resources in a short



## Organisation, Management and Control Model

time. The headquarter and administrative offices of the Company are located in Reggello (FI), but the Company also operates in other Local Units in Milan, Mirandola (MO) and Rome.

The business activity of PQE is focused on the following areas: approval of computer systems; drawing up of general business plans aimed at validation; quality consultancy, including the company qualification according to ISO 9000/UNI EN 29000 and consultancy in the specific field of quality in the pharmaceutical sector; IT consultancy; organization and holding of training courses and workshops; consultancy in business technology transfer; purchase, sale, total and/or partial use of patents and technological or scientific *know-how*, invention patents and industrial property right, marketing and business-technical consultancy; business organization; consultancy in the implementation of practices aimed at obtaining loans (e.g. loans granted by the EU).

PQE owns 100% of the shares of the Italian company Dots Srl and holds 100% or majority shareholding in companies located in the following countries: Spain, Ecuador, Switzerland, Israel, Brazil, Mexico, United States, Germany, Japan, Russia and China (the "Subsidiaries"), with respect to which PQE performs a management and coordination function and in favour of which, as better specified below, it provides a number of administrative services.

The corporate structure of PQE is made up of twelve shareholders, all natural persons, holders of shareholdings at different levels, but among whom one holds a majority shareholding equal to 82.8% and has the function of Chairman of the Board of Directors.

The Company signed a service contract under which it provides services in the areas connected to the Group's core business or relating to distribution and marketing activities and corporate management, as well as the related support services, in favour of a number

of subsidiaries operating in different countries (the "Service Contract").

The Company is provided with an integrated Quality System in compliance with the requirements of UNI EN ISO 9001: 2015.

#### *4.1) The organisational structure of PQE. S.r.l.*

PQE is currently managed by a Board of Directors made up of four members, one of whom has the function of Chairman and one has the function of managing director. The Chairman of the Board of Directors and the directors, within the limits of the powers assigned to them, represent the Company.

The Board of Directors has all the powers for the ordinary and extraordinary management of the company and for the achievement of the business objective, excluding the powers attributed to shareholders pursuant to art. 2479 of the Civil Code and the Articles of Association.

The Chairman of the Board of Directors represents the Company in front of third parties and also in court, with the right to act in any place and degree of jurisdiction.

The Company drew up an organization chart for the identification and organization of the different corporate functions, as well as the *Roles & Responsibilities* document attached to the Quality Manual, which are reflected in this Model and duly brought to the attention of the employees.

PQE, in compliance with the requirements established by law, appointed the Employer, identified as the Chairman of the Board of Directors.

#### *4.2) Governance instruments of PQE S.r.l.*

The main *governance* instruments of which PQE is provided can be summarized as

follows:

- the Articles of Association which, in addition to describing the activities performed by the Company, include various provisions relating to the corporate governance;
- the system of proxies and powers of attorney assigned to the members of the Board of Directors and to the appointed legal representatives;
- the Organization Chart and the *Roles & Responsibilities* document;
- the Code of Ethics and company procedures which regulate the main processes in the context of the activities performed by the Company.

This Model adopts all the ethical principles and procedures promoted by PQE, some of which also globally, by integrating them with specific protocols applicable to PQE S.r.l. in an integrated corporate *compliance* system, which takes into account, on the one hand, the multinational reality in which the Company operates and, on the other, the need to comply with the specific provisions of the Italian legislation and of the laws on the liability of entities pursuant to Legislative Decree 231, as well as with local *best compliance practices*. In this regard, the SB is expected to be involved in all issues related to the correct acceptance of the Model, to the alleged breach of the Model itself and of the rules included in the company procedures and in the law.

The system of governance tools adopted and the provisions of this Model allow identifying, with respect to all activities, how the entity's decisions are established and implemented, as required by art. 6, paragraph 2 letter b, of Legislative Decree 231.

#### *4.3) The Code of Ethics*

The principles and rules included in this Model are in line with those provided by the Code of Ethics which applies to all employees of the PQE group worldwide, including

PQE S.r.l. employees, and which sets out a series of principles that inspire the daily decisions and behaviours of all people belonging to the PQE organization ("**Code of Ethics**"). The Code of Ethics is made up of a series of both general rules - aimed at identifying homogeneous behavioural standards and underlining the priority objectives and reference values which shall inspire the behaviour of the individuals who act in the interest and on behalf of the Company - and more specific rules, such as for example the obligation to comply with confidentiality laws and regulations related to the management of confidential information.

The Code of Ethics is made known to all recipients and expresses the ethical principles which are implemented by PQE and on which it draws attention from all those who work for the achievement of the Company objectives. Some principles refer to an ethical conduct and prescribe to operate correctly, avoid conflicts of interest, ensure the accuracy and completeness of information and protect confidentiality. This Code of Ethics is an integral part of this Model and an essential instrument to achieve the objectives of the Model itself, by providing guidelines and principles of conduct which, *inter alia*, allow preventing the perpetration of crimes referred to in Legislative Decree 231.

Any communication relating to the violation of the principles and rules included in the Code of Ethics that has relevance for the purposes of this Model shall be sent to the Supervisory Body, as better specified below as well as in the Code of Ethics itself.

## 5) ORGANIZATION, MANAGEMENT AND CONTROL MODEL AND METHODS USED FOR THE DRAFTING

### 5.1) *Preliminary remarks*

The adoption of the Model by PQE, in addition to representing an instrument of possible exemption from the liability of the Company with reference to the perpetration of some



crimes, represents an act of corporate responsibility both towards the stakeholders (shareholders, employees, customers, suppliers) and towards the community and an declaration of ethical values in which PQE strongly believes.

This Model is focused not only on the operational activity performed by PQE, but also on the risks that are inherent to the activities of a holding company which owns shares in other group companies (also located abroad) and which performs management and coordination activities on such companies pursuant to art. 2497 of the Civil Code, taking into consideration, in any case, the Guidelines for the creation of organization and management models issued by Confindustria (the "Confindustria Guidelines") as well as the laws and regulations relating to Legislative Decree 231.

#### *5.2) The project for the realisation of the model*

The adoption of this Model led to the identification and assessment of sensitive areas and activities of the company.

Specifically, the project involved the implementation of three different operating phases:

**PHASE I - Identification of sensitive areas (Risk Assessment)**, or analysis - through the verification of the relevant documentation and interviews with the Company's personnel - of the business context aimed at identifying the activities/functions of the Company in which unlawful actions may occur pursuant to Legislative Decree 231;

**PHASE II - Gap Analysis**, or assessment of the adequacy of the company organization and related control measures to prevent unlawful actions, by comparing the general rules included in the reference organization model (meeting the requirements of 231 legislation) with the actual methods of

performing the activities concretely implemented by the Company, as outlined by the company practices. After this comparison, a Gap Analysis document was drawn up and made available in the Company archives, where further necessary measures/rules were identified to be adopted in order to make the system of control measures fully in line with the provisions of Legislative Decree 231;

**PHASE III - Implementation of the internal control system**, consisting in the drafting and adoption of the Model pursuant to Legislative Decree 231.

More in detail, with respect to each phase mentioned above:

***(5.2.1) PHASE I - Identification of sensitive areas (Risk Assessment)***

Phase I of the project consisted in the analysis of the activities performed by the Company in which a number of crimes envisaged by Legislative Decree 231 (hereinafter "sensitive activities") may be committed, and of the areas, functions and corporate roles involved, also through interviews with managers and directors of the Company. This analysis allowed identifying, for each sensitive area/activity, the expected methods of performance, the existing control systems, the functions and roles/liabilities of the individuals involved, in order to verify the activity areas/sectors and modalities according to which a number of crimes may be abstractly committed pursuant to Legislative Decree 231.

An examination of the company documentation was also carried out in order to better understand the activity and identify the corporate areas subject to the intervention.

***(5.2.2.) PHASE II - Gap Analysis***

A Gap Analysis document was drawn up for sensitive activities, comparing the general rules included in the reference organization model (meeting the requirements of 231

legislation) with the actual methods of performing the activities concretely implemented by PQE.

The Gap Analysis document is aimed at identifying the control standards that shall be adopted and/or improved and, in any case, necessarily observed to allow the Company to establish an organization that allows avoiding the commission of crimes referred to in Legislative Decree 231.

The control standards are based on the following general principles that shall be observed in all sensitive activities identified:

- *Segregation of duties*: balanced distribution of liabilities and provision of adequate authorization levels, suitable to avoid any mixing of potentially incompatible roles or excessive concentrations of liabilities and powers of single subjects. Specifically, there shall be the segregation of activities between executing parties, controlling parties and authorising parties;
- *Rules*: formal company regulations shall exist and be capable of providing at least general reference principles for governing sensitive activities;
- *Signature and authorization powers*: the signature and authorization powers shall be: (i) in line with the organisation and management responsibilities assigned; (ii) clearly defined and known within the Company;
- *Traceability*: principle according to which: (i) every operation related to sensitive activity shall be, where possible, adequately recorded; (ii) the decision-making and authorization processes and the performance of sensitive activities shall be verified *ex post* also through appropriate documentary supports.

In addition to the general principles listed above, in relation to the single activities, specific control procedures are indicated with the purpose of mitigating the typical risks of the sensitive activity considered.

### ***(5.2.3) PHASE III - Implementation of the internal control system***

The implementation of Phase III involved the development of the following components of the internal control system:

- Adoption of the measures indicated in the Gap Analysis document;
- Drafting or integration of procedures suitable for the prevention of crimes pursuant to Legislative Decree 231;
- Drafting of the disciplinary and sanctioning system of the Company;
- Identification of the Supervisory Body;
- Analysis and updating of the system relating to information flows and reports to the Supervisory Body.

At the end of the activity described above, this Organization, Management and Control Model was drawn up pursuant to Legislative Decree 231, including all the components.

The function of the Model is to configure a structured and organic system which, taking into account the activities performed by the Company, is aimed at preventing, as far as possible, the occurrence of conducts that may lead to the crimes envisaged by Legislative Decree 231.

The Model is divided (i) into this "**General Section**", which contains the description of the activities performed by the Company and the definition of the structure necessary for the implementation of the Model, such as the operation of the Supervisory Body and the

sanctioning system, (ii) into the "**Special Section**", which consists of the identification of sensitive areas with the provision of the related control measures (for example, the Code of Ethics and the control procedures with respect to activities considered potentially at risk of committing a crime pursuant to Legislative Decree 231), and (iii) into the Appendix to the Model, attached to it, which lists and describes the crimes referred to in Legislative Decree 231.

Phase III of the project ends with the following activities::

- Training and Communication to Personnel;
- Dissemination of the corporate Code of Ethics and the Model.

#### ***(5.2.4.) Formal approval of the Model and appointment of the SB***

The formal approval of the Model and the appointment of the SB shall take place by resolution of the Board of Directors.

Since the Model is an act issued by the top management, the Board of Directors is responsible for playing a leading role, while respecting the function of the SB, by ensuring the implementation and compliance with this Model, as well as the approval of any amendments and evolutionary or corrective updates of the Model itself. Consequently, any substantial changes and additions are entrusted to the Company's Board of Directors, also upon the proposal of the SB, if needed.

The adaptation of the document is fundamental after the reorganization of the corporate structure and legislative changes/updates that involve a modification in the risk areas.

### **6) SUPERVISORY BOARD**

#### ***6.1) Identification, location and operating requirements***

Art. 6 of Legislative Decree 231 identifies a further requisite for the Company to be

exempted from the liability for the perpetration of the crimes listed therein: the establishment of a Supervisory Body "*with independent powers of action and control*" and with the function of "*supervising the operation and observance of the Model and keeping it up-to-date*". It is a body of the Company that shall be placed in a position of absolute independence from the other bodies of the Company, in particular the direction and management bodies.

The requirements that the SB shall satisfy for an effective performance of the aforementioned functions - as confirmed by the best doctrine and the most recent laws - are:

- a) **Autonomy and independence:** the SB shall possibly include at least one subject outside the Company among its members, with the function of Chairman in the event of a collegial body; he/she shall have no operational duties and shall only have a staff relationship and not a hierarchical subordination relationship with the corporate top management;
- b) **Professionalism:** for this purpose, the members of the body shall have specific skills for adopting suitable measures in order to prevent the perpetration of crimes, identify the causes of those already committed, as well as verify the compliance with the Model by the members of the business organization;
- c) **Continuity:** this requirement excludes the occasional or sporadic activity of the SB; and
- d) **Honourability and absence of conflicts of interest:** for the related requirements, see paragraph 6.3 below.

### *6.2) Functions and powers of the SB*

In accordance with the provisions of Legislative Decree 231 and the main guidelines, the functions performed by the SB can be summarized as follows:

- **Verifying the efficiency of the Model:** it consists in verifying the compliance between the concrete behaviours of top managerial and subordinate individuals and the prescriptions of the Model;
- **Verifying the adequacy of the Model:** in other words, the suitability of the Model to prevent the risks of crimes, in relation to the type of activity and the characteristics of the Company. That leads the corporate bodies to update the Model according to the development of the corporate structure and the possible evolution of the regulatory provisions.
- **Updating of the Model:** it consists in drawing up proposals for the Board of Directors concerning the adaptation of the Model in all cases in which it becomes necessary to improve its effectiveness after changes in legislation, the Company structure and/or the evolution of the laws.
- **Training and Information on the Model:** an activity that consists in promoting and constantly monitoring the initiatives aimed at promoting the dissemination of the Model to all individuals required to comply with the relative provisions.
- **Information flows from and to the SB:** function that allows the SB to have relationships with all corporate bodies, the personnel and third parties and to be constantly updated on a number of events concerning the Company activities; see more in detail below.

While performing the duties assigned, the SB is always required:

- to promptly document, also by filling in and keeping special registers, all the activities performed, the actions and measures adopted, as well as the information and reports received, also in order to guarantee the complete traceability of the actions undertaken and the indications provided to the corporate functions concerned;
- to record and keep all the documents drawn up, received or collected while performing the duties assigned that are relevant for the correct performance of such duties.

As regards the activities related to the monitoring and supervision of the Model, the SB shall:

- periodically verify the adequacy of the Model, that is, its suitability to prevent the occurrence of illegal behaviours, as well as to detect the possible occurrence;
- verify the effectiveness of the Model, that is, the compliance between the concrete behaviours and those formally envisaged by the Model itself;
- monitor the company activity, including the functionality of the whole preventive system adopted by the Company with reference to health and safety at work, by carrying out periodic and extraordinary checks.

For these purposes, the Supervisory Body has the function to monitor the corporate activity, carrying out all the most appropriate checks, including, for example, the periodic, scheduled and extraordinary verifications, as well as the related follow-ups, according to the prescriptions of this Model and, where possible, of the Regulation that the SB may adopt to regulate the operating rules more in detail after the formal appointment of the SB itself through the Board of Directors. This Regulation may also



contain specific rules relating to the summons of the SB meetings and the activities performed by such body.

The SB shall provide for the updating of the Model, by suggesting to the Board of Directors, or to the competent bodies, the adaptation in all cases where it is necessary to improve its effectiveness, also in consideration of:

- any regulatory intervention occurred;
- modifications in the organizational structure or business activity;
- significant breach or irregularity of the Model.

As concerns the **Training and Information on the Model**, the SB shall:

- promote and constantly monitor the actions aimed at encouraging the dissemination of the Model to all individuals required to comply with the relative provisions (hereinafter, "Recipients");
- promote and monitor, with continuity and completeness, all the initiatives, including training courses and communications, aimed at promoting the adequate knowledge of the Model for all Recipients;
- promptly identify, also through specific opinions, any requests for clarification and/or advice deriving from the company functions or resources or from the direction and control bodies, if connected to the Model.

For the performance of the duties listed above, the SB is granted all the powers necessary to ensure a prompt and efficient supervision of the effective operation and observance of the Model.

By way of example, the SB, also through the available resources, has the right:

- to carry out, even unexpectedly, all the checks and inspections deemed appropriate for the correct performance of the duties;
- to have unrestricted access to all functions, archives and documents of the Company, without requiring any prior consent or authorization, in order to obtain any information, data or document deemed necessary;
- to have at its disposal, where necessary, the resources that can provide indications or useful information regarding the conduct of the business activity or any irregularity or breach of the Model;
- to make use, under its direct supervision and responsibility, of all the structures of the Company or external consultants;
- to have at its disposal the financial resources allocated by the Board of Directors for the correct performance of the duties.

All corporate functions shall collaborate with the SB and, in particular, shall promptly meet the requirements sent by the SB, as well as make available all the documentation and, in any case, any information necessary to perform the supervision activity.

In fact, the SB may ask for the collaboration of all the corporate functions to request, for example, advice on specific topics, making use, depending on the type of requirement, of the support of both single representatives and multifunctional teams.

The same confidentiality obligations envisaged for the resources of the SB shall be extended also to the corporate functions which become aware of information deemed sensitive. In the event that the duty is entrusted to external consultants, the contract shall contain some clauses that oblige them to comply with the confidentiality of the information and/or data acquired or received in the performance of the activity.

### 6.3) *Identification of the SB*

The Board of Directors, pursuant to the provisions of Legislative Decree 231, identified and appointed the Supervisory Body in a collegial body made up of three members, among whom one, a qualified professional outside the Company and the PQE Group, shall assume the role of Chairman. In order to guarantee the full knowledge and continuity of the business activity to the Supervisory Body, among the other members there shall be at least one person belonging to the organization of the Company, always in compliance with the requirements set out in this section.

Each member of the SB remains in office for two years, starting from the date of appointment.

The external members of the SB are highly qualified with proven expertise and skills in the legal field, in corporate criminal law and *compliance*, internal control systems or auditing.

Grounds for ineligibility and/or disqualification of the members of the SB are:

- the interdiction, incapacitation, failure or, in any case, the conviction, even if not final, for one of the crimes envisaged by Legislative Decree 231 or, in any case, for a sentence involving the disqualification of legal persons, even temporarily, from holding public office, or temporary disqualification from holding management office;
- parentage, marriage or affinity within the fourth degree of kinship with members of the Board of Directors, as well as with the members of any parent and/or subsidiary companies;
- the existence of conflicts of interest with the Company due to the fact of (i) being a public officer who exercised authoritative or negotiating powers for the benefit

of PQE in the last three years, (ii) being a relative within the third degree of kinship with public officers referred to in point (i) above or with employees of certification companies that collaborate with the company or with suppliers of the Company itself, (iii) being a relative within the third degree of kinship with PQE customers;

- without prejudice to any subordinate employment relationship for the internal members of the SB, the existence of patrimonial relationships between the members of the SB and the Company or any parent or subsidiary company, which could compromise the independence of the members themselves.

If, during the performance of the duty, a revocation should occur or one of the members should resign, the member involved shall immediately notify the Board of Directors, which shall appoint a substitute.

The grounds for ineligibility and/or disqualification are also extended to the resources the SB directly uses in the performance of the duties.

A member of the Supervisory Body can be dismissed for just cause by the Board of Directors.

During the performance of the duties, the SB shall be provided with its own adequate resources and assisted by the necessary resources, identified from time to time among the Company personnel.

The Board of Directors entrusts the Supervisory Body with the financial resources deemed appropriate for the performance of the assigned task. With regard to financial resources, the SB may use the budget assigned by the Board of Directors for the correct performance of all the duties.

With regard to the protection of health and safety at work, the SB shall make use of all the resources implemented by the Company for the management of the related activities.

During the exercise of the powers of control and inspection, the Supervisory Body may verify, at any time and at its own discretion, the effectiveness and application of the Model. In the exercise of these powers, the SB may consult the documentation relating to the activity performed by the single corporate functions and by the persons in charge of the at-risk activities subject to control and/or inspection, possibly asking for a copy, as well as carry out interviews and ask for written reports.

Company employees are required to collaborate with the SB in the performance of the duties, providing the SB with the company documentation necessary to perform the activities under its responsibility.

**The reports** relating to unlawful conducts which are relevant pursuant to the Legislative Decree 231/2001, breach of this Model and/or procedures/protocols envisaged therein may be forwarded by every Recipient of the Model to the email address: "organismodivigilanza@pqegroup.com" or also through a hard copy to: PQE Srl – To the kind attention of the Supervisory Body - Prulli, n 103/C, 50066 Reggello (FI). Furthermore, any communications relating to the violations of the rules and principles included in the Code of Ethics shall be sent to the SB in the same way. The reports relating to any violations of the SB may be addressed directly to the Board of Directors, so that it can authorise one of its members to carry out the investigations deemed necessary and/or appropriate.

All reports shall be managed protecting the confidentiality of the person who made the report, who shall also be protected from any type of discrimination or retaliation as better

specified in the following paragraph 6.4 and in Section 8.

*6.4) The information flow to the SB*

The obligation to inform the SB pursuant to art. 6 paragraph 2, letter d) of Legislative Decree 231 - by email to the address of the SB indicated above - is an additional instrument to facilitate the supervision of the effectiveness of the Model and to perform *ex post* checks of how a crime could have been committed.

The breach of this obligation shall involve the application of the disciplinary sanctions provided for in this Model.

In this case, the information may concern, for example:

- decisions relating to the request, allocation and use of public funding;
- requests for legal assistance submitted by employees and/or directors against whom the Magistrature is taking proceedings for crimes pursuant to Legislative Decree 231;
- measures and/or news from the judicial police or from any other authority, from which it can be inferred that investigations are underway, also into unidentified parties, for crimes pursuant to Legislative Decree 231;
- commissions of inquiry or internal relations from which the liability for the crimes referred to in Legislative Decree 231 can be deduced;
- information relating to the effective implementation, at all company levels, of the Model, with evidence of the disciplinary measures adopted and sanctions imposed or of the resolutions dismissing these proceedings with their relevant motivation.

The information provided to the SB is aimed at improving the control planning activity and not at imposing a timely and systematic verification of all the phenomena represented. In other words, the SB does not have any obligation to act whenever there is a report, being left to its discretion and responsibility to establish in which cases to take action. All the organizational units - but first of all the structures deemed to be at risk of crime according to the risk mapping table of the Company - are responsible for bringing the SB to the knowledge of any type of information, both in the cases provided for by the Model and in any other case in which the information, even if it comes from third parties, may have relevance with the implementation of the Model. The obligation of information is primarily addressed to the Board of Directors since it represents the top management of the Company to which the information flows of all the other corporate functions and divisions are directed, and especially the ones that are responsible for the management of the economic and financial resources of the Company.

As indicated in the previous paragraph 6.3), the reports relating to unlawful conducts which are relevant pursuant to Legislative Decree 231/2001, to the breach of this Model and/or procedures/protocols envisaged therein may be forwarded electronically to the SB to its email address or also through a hard copy to: PQE Srl - To the kind attention of the Supervisory Body - Prulli, n 103/C, 50066 Reggello (FI).

The SB, or anyone who should receive any reports, shall act with the utmost confidentiality, so as to protect the whistleblower from any form of retaliation or discrimination for reasons directly or indirectly connected to the reported case, which is expressly prohibited and subject to disciplinary sanctions referred to in paragraph 8 below, also ensuring the confidentiality of the whistleblower's identity (except for the occurrence of any legal obligations).

The adoption of any discriminatory measures against subjects who report any unlawful conduct pursuant to Legislative Decree 231/2001, the breach of this Model and/or of the procedures/protocols provided therein may be reported to the National Labour Inspectorate, for the measures within its competence, by the whistleblower and also by the labour union indicated by the whistleblower.

The retaliatory or discriminatory dismissal of the whistleblower shall be null and void. The change of duties pursuant to Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measures adopted against the whistleblower are also void. It is the responsibility of the employer, in case of disputes related to the imposition of disciplinary sanctions, or to demotion, dismissal, transfer, or submission of the whistleblower to another organizational measure having, directly or indirectly, negative effects on the working conditions after the presentation of the report, to demonstrate that these measures are based on reasons unrelated to the report itself.

Information flows to the SB regarding specific at-risk activities are shown in the Special Section of the Model close to each risk area.

**As concerns the Board of Directors**, the information flows to the SB include:

- the copy of the decisions relating to extraordinary operations (e.g. mergers, acquisitions, corporate divisions, company transfers) or to operations that involve changes to the organizational structure of the Company and updates of the crime-risk analysis of the Company;
- the copy of the proxies and sub-proxies of functions and powers of attorney issued in the Company;



- any report received by the Company, relating to the application of Legislative Decree n. 231;
- any requests for legal assistance sent by the managers and/or employees in the event of legal proceedings being started for the crimes envisaged by Legislative Decree n. 231;
- reports on disciplinary proceedings started by the Company and sanctions imposed to the outcome of the proceeding, with the specification of the reasons that legitimated the imposition, as well as any decisions to close a disciplinary proceeding or not to impose any sanctions and the related reasons;

All functions of the Company have a general obligation to report to the SB any anomaly or unusual circumstance encountered in the performance of their activities that may be relevant for the liabilities referred to in Legislative Decree 231 (General Reporting Obligation, hereinafter "GRO").

In addition to the provisions of the GRO, the above reports and documentation, all employees, collaborators and Management Body of the Company shall immediately transmit the following to the SB:

- any request for information or order to exhibit the documentation coming from any public authority (e.g., judicial authorities, law enforcement, Competition and Market Authority, Guarantor for the Protection of Personal Data, etc.) directly or indirectly attributable to circumstances that may be relevant for any liability pursuant to Legislative Decree n. 231;
- changes expected in the organizational structure of the Company functions/divisions or changes in the organizational procedures applied within them. This information shall be sent to the SB after the adoption;

- the approved final text of each organizational procedure and related amendments.

The documentation relating to the reports shall be kept entirely at the offices of the Body. The SB may indicate additional flows necessary for the performance of the activities.

As regards the information flows relating to whistleblowing, subject to the obligation of the company to implement the guarantees pursuant to law No. 179 of 30 November 2017 which governed the institution of the so-called whistleblowing that reports *“Provisions for the protection of whistleblowers reporting crimes or irregularities of which they become aware as part of public or private work relationships”*, anyone who, within the company, becomes aware of unlawful conducts pursuant to the aforementioned legislation can make detailed reports that can be forwarded following the procedures the company shall adopt and about which employees shall be duly informed.

In the event that the SB becomes aware of the report, the SB shall forward the report to the internal Committee of the company, which shall be specifically constituted and, after having detected the non-manifest groundlessness of the report, shall carry out the investigation and adopt the proper measures. In any case, the management of the report shall be the responsibility of the top management of the company together with the Committee, who shall keep the SB informed about the different phases and the conclusion of the whistleblowing procedure.

The internal Committee receiving the reports shall act with the utmost confidentiality, so as to protect the whistleblower from any form of retaliation or discrimination connected - directly or indirectly - to the reported case, which is expressly prohibited, also ensuring the confidentiality of the whistleblower's identity (except for the occurrence of any legal

obligations).

The adoption of discriminatory measures against individuals who report any unlawful conduct pursuant to Law No. 179 of 30 November 2017 can be reported to the National Labour Inspectorate, for the measures within its competence, by the whistleblower and also by the labour union indicated by the whistleblower.

The retaliatory or discriminatory dismissal of the whistleblower shall be null and void. The variation of duties pursuant to Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measures adopted against the whistleblower are also void. It is the responsibility of the employer, in case of disputes related to the imposition of disciplinary sanctions, or to demotion, dismissal, transfer, or submission of the whistleblower to another organizational measure having, directly or indirectly, negative effects on the working conditions after the presentation of the report, to demonstrate that these measures are based on reasons unrelated to the report itself.

Nevertheless, it is specified that whoever makes groundlessness reports with wilful misconduct or gross negligence shall be subject to a disciplinary sanction.

#### *6.5) The reporting by the SB to the corporate bodies*

The SB carries out constant activities of reporting to the corporate bodies, in particular by reporting in writing, on an annual basis, the activity performed in the period and the related outcome to the Board of Directors, which is entrusted with a primary role in the dissemination of the corporate *compliance*, also providing an anticipation on the general lines of action for the following period.

Reporting shall focus, in particular, on:

- the activity performed by the SB;

- any problems or critical situations emerged during the supervisory activity;
- the corrective, necessary or possible activities to be carried out in order to ensure the effectiveness and the implementation of the Model;
- the assessment of behaviours not in line with the Model;
- the detection of organizational or procedural deficiencies such as to expose the Company to the danger of committing the crimes that are relevant pursuant to Legislative Decree 231;
- the lack of collaboration by the corporate functions in carrying out their verification and/or investigation tasks;
- in any case, any information deemed useful for the purpose of taking urgent decisions by the appointed bodies.

The meetings of the SB, to be held regularly with a frequency to be determined by the SB itself, but in any case not less than one every three months, shall be recorded and the copies of the minutes shall be kept at the offices of the SB.

#### *6.6) The ethical rules that govern the activity of the SB*

The members of the SB, as well as the related resources, are required to strictly observe, in addition to the general ethical and behavioural rules issued by PQE, also the specific codes of conduct listed below.

They are applied both to the members of the SB and related resources and to all other (internal or external) resources that provide a support to the SB during the performance of the activities.

While performing the activities, the SB shall:

- ensure the implementation of the activities with honesty, objectivity and accuracy;
- guarantee a loyal attitude while performing its activities, by avoiding that, through its action or inertia, the ethical and behavioural rules of PQE can be violated;
- avoid accepting gifts or other benefits from employees, customers, suppliers or subjects representing the Public Administration with which PQE has or could have relationships;
- avoid any behaviour that may damage the prestige and professionalism of the SB or of the whole corporate organization;
- guarantee the utmost confidentiality in the management of the information acquired during the performance of the activities. In any case, it is forbidden to use confidential information when this may involve the violation of privacy rules or any other law, bring personal advantages of any kind both to those who use them and to any other internal or external resource or damage the professionalism and/or integrity of the SB, other corporate functions or any other subject inside or outside the company;
- faithfully report the results of the activities, accurately showing any fact, datum or document that, if not manifested, may cause a distorted representation of reality.

## 7) TRAINING, INFORMATION ACTIVITIES AND AWARENESS RAISING

The Company carries out the dissemination of the Model as follows:

- transmission - by e-mail and/or fax and/or post and /or delivery by hand - to all employees of the Company (with the indication that the Model is to be considered binding for all the personnel) who shall sign the attached form (stating the

knowledge of the Model);

- publication on the Intranet page of the Company, accessible to all employees, pursuant to art. 7, paragraph 1, of Law 300/1970 (Workers' Statute);
- information to external collaborators and suppliers about the existence of the Model and the Code of Ethics; for this purpose, the Company shall suggest to external collaborators and suppliers to add, in the relevant contracts, a clause with the following content, or other similar formulation if the counterparty should request modifications, but always in compliance with the *ratio* of the clause: *"Code of Ethics and Organisation, Management and Control Model: [Enter the name of the contractual counterparty] acknowledges that PQE Srl adopted an Organization, Management and Control Model pursuant to Legislative Decree 231/2001 for the prevention of the crimes envisaged therein and undertakes to comply with the prescriptions included in the aforementioned Legislative Decree 231/2001 and in the Code of Ethics of the Company available at the following link: [https://\\_\\_\\_\\_\\_](https://_____). [Enter the name of the contractual counterparty] also acknowledges and accepts that the violation of the provisions contained in Legislative Decree 231/2001 and in the Code of Ethics of the Company from [contractual counterparty] shall cause the termination of this contract, except for the compensation for any further damages"*;
- signature of the Company employees who read the Model.

The SB undertakes to organise, at least once a year and, in any case, whenever it is required, a meeting aimed at illustrating any updates and modifications of the Model, to which all Company employees, the Board of Directors and, where necessary, also third parties collaborating with the Company, will be invited to participate. The minutes of the meetings shall be drawn up, indicating the subjects who participated and the topics

covered.

Company employees are encouraged to inform the line manager about any conduct within the Company that, in their opinion, does not comply with the Model, the Code of Ethics of the Company and the organizational procedures. Such persons shall consider such reports as confidential without any negative consequences for the employee who made the report in good faith.

#### 8) GUIDELINES OF THE PENALTY SYSTEM

Any behaviour that violates the provisions of this Model shall be prosecuted and sanctioned since it is in conflict with the principles of the Company and it is a source, even if only potential, of administrative liability for the Company. Violations of the Model negatively affect the relationship of trust with the Company and represent a disciplinary offense. Furthermore, it is noted that the application of disciplinary sanctions by the Company is independent of the introduction of any judicial proceeding.

The sanctioning measures for the violations of the Model are commensurate with the type of violation and its consequences for the Company and shall be adopted in compliance with the regulations and the National Collective Labour Agreement (CCNL) for employees of the Tertiary sector, Distribution and Service.

As for self-employed workers and third parties, the violation of the provisions contained in this Model may result in the termination of the contract pursuant to art. 1453 - or even art. 1456 - of the Civil Code.

##### *8.1) (a) employees – (b) executives*

All employees and all executives of the Company are obliged to use the diligence

required by the kind of performance and interest of the Company by complying with the internal procedures envisaged by the Model and by law.

(a) In particular, in the event of a breach committed by *employees*, in compliance with the Workers' Statute and the CCNL (National Collective Labour Agreement) for employees of the Tertiary sector, Distribution and Service, the employee may be subject to the penalties envisaged therein.

Furthermore, in the case in question, the type and extent of the disciplinary sanctions shall be decided by the Company in relation to:

- the degree of intentionality, carelessness, imprudence, inexperience with regard to the predictability of the event;
- the overall conduct of the employee, with particular regard to the possible existence of previous disciplinary penalties;
- the role and duties of the employee;
- any other relevant, specific circumstances relating to the violation in question.

Pursuant to art. 7 of the Workers' Statute, the procedure the employer shall follow to disciplinarily sanction an employee imposes the obligation to notify the employee in advance of the alleged offence, with the specific indication of the facts, to enable the employee to prepare an appropriate defence and to provide any justifications. The penalty is imposed in the event of failure to accept these justifications.

(b) The most suitable measures are applied to *executives* also in compliance with the provisions of the CCNL mentioned above.

The procedure for imposing disciplinary sanctions pursuant to art. 7 of the Workers' Statute, described in the previous point (a), also applies to executives.



Depending on the severity of the infringement, the aforementioned penalties may also be applied to employees and executives who breach the measures taken to protect those who report significant unlawful conducts pursuant to Legislative Decree 231/2001 and/or commit violations of this Model (for example, retaliatory or discriminatory acts for reasons connected, directly or indirectly, to the report itself or disclosure of the identity of the whistleblower) or those who make with wilful misconduct or gross negligence reports of unlawful conducts pursuant to Legislative Decree 231/2001 and/or commit unfounded violations of this Model.

### *8.2) Board of Directors*

If the breach of this Model is committed by the Board of Directors, the Supervisory Body shall immediately inform the Meeting so that it can adopt the appropriate measures.

Without prejudice to the obligation to compensate for the damages pursuant to articles 2392 et seq. of the Italian Civil Code, the following penalties are imposed:

- ✓ fine (up to the fee received by the Board of Directors) in the event of
  - non-serious violations of one or more procedural or behavioural rules provided for by the Model;
  - tolerance or failure to report minor misconducts committed by subjects under control and/or supervision;
- ✓ revocation of one or more delegated powers in the event of:
  - severe violation of procedural or behavioural rules provided for by the Model that represent a serious unfulfillment, or
  - tolerance or failure to report serious misconducts committed by subjects under control and/or supervision;

- ✓ suspension from office pursuant to art. 2383 of the Civil Code, with prior waiver of compensation for damages by the director, in the event of:
  - violation of one or more procedural or behavioural rules provided for by the Model, of such seriousness as to irreparably damage the corporate relationship.

Depending on the severity of the infringement, the aforementioned penalties may also be applied to the members of the Board of Directors who breach the measures taken to protect those who report significant unlawful conducts pursuant to Legislative Decree 231/2001 and/or commit violations of this Model (for example, retaliatory or discriminatory acts for reasons connected, directly or indirectly, to the report itself or disclosure of the identity of the whistleblower) or those who make with wilful misconduct or gross negligence reports of unlawful conducts pursuant to Legislative Decree 231/2001 and/or commit unfounded violations of this Model.

### *8.3) Agents and external Collaborators*

Where applicable, any conduct of third parties which does not comply with the provisions of this Model and which, according to the corporate organizational units and the SB, may damage the Company shall be sanctioned with the termination of the contract and the request for compensation for any damage caused to the Company.

## **9) MANAGEMENT OF FINANCIAL RESOURCES**

The processes for the purchase of goods or services are governed by the applicable company policies and, in particular, by the *Purchase Management* procedure (FA001).

All the processes for the purchase of goods or services shall start from the issue of a formal order by the Company (e.g. acceptance of supplier's quotations, requests through other

types of commercial correspondence, contracts, etc.) according to the rules and responsibilities envisaged in the *Purchase Management* procedure.

The management of orders and related responsibilities as regulated in the company policies and procedures is carried out in compliance with two fundamental principles:

- **Traceability:** according to this principle, accounting records can be made only if they are properly supported by a suitable administrative documentation;
- **Segregation of responsibilities and duties:** a whole administrative or accounting process or sub-process cannot be managed entirely by a single person: the different phases shall be divided into different subjects in order to ensure cross-checking of all phases of the process itself.

The fiscal documents received by the administration are recorded. Passive documents not accompanied by supporting documents or not authorized are blocked by the employee of the Accounting office delegated by the Operating Director until they are complete with all the necessary documentation.

The approval of payments shall be strictly carried out in compliance with the *Purchase Management* procedure, which describes the relative methods and responsibilities. Payments are always approved and made under the responsibility of separate subjects.

Advance payments to suppliers (e.g. payments prior to the receipt of goods or services or before the deadline agreed with the supplier) are discouraged and should always be considered as exceptional cases and can only be made with approval by the Operating Director, who shall take into account the amount, the reasons justifying the advance payment and the reliability of the supplier (who shall be a supplier already verified according to the *Supplier Qualification QA006* procedure).

Advance payments, like any other payment, shall also be made by bank transfer. Documentation shall be kept to prove authorization and payment.

The above procedure shall also be followed with reference to goods or services supplied to other group companies.

Company employees may be reimbursed for expenses incurred during the performance of their activities, if duly documented.

The approval of the expenses shall take place in strict compliance with the *Expense Control and Management WS-010* policy.

The expenses that obtained the approval shall be reimbursed to the employee by bank transfer, as far as possible, or in any case with methods that guarantee traceability, and the related amounts shall be recorded according to the company accounting procedures provided for this purpose.

As regards the procedure for managing and approving "**petty cash**" payments (that is, a cash endowment fund made available at the Company's headquarters) the following rules apply:

- the use of the petty cash is allowed only for irrelevant amounts, e.g. not exceeding 150 Euros;
- the petty cash can only be used with the exhibition of a payment request that does not require any specific traceability, by amount or nature (e.g. purchase of stationery, newspapers, foodstuffs for hospitality, consumables purchased at retail, cash advance to the personnel for expenses that shall be incurred in the following days and which shall

be subsequently reported in the expense report);

- the endowment fund is authorized by the Operating Director, who identifies in writing the "petty cash personnel", or the persons in charge of managing the petty cash;
- the Operating Director, or a person delegated by him in writing, defines the maximum amount of "petty cash" that can be authorized for each quarter and how to withdraw cash money from the petty cash and record it. At the end of the quarter, the Operating Director also verifies the regularity of the transactions and the correspondence between cash withdrawals and expenses incurred, promptly informing the Board of Directors and the SB in the event of unjustified shortages;
- the SB shall also be informed about any irregular transaction (for example, by amount, by recurrence of the applicant or beneficiary of the payment, etc.).

All the procedures referred to in this paragraph shall ensure the segregation of responsibilities at all times, prevent the self-approval of expenses and ensure the traceability and implementation of any formal and substantial control to be applied from time to time.

#### 10) MANAGEMENT AND COORDINATION OF THE OTHER GROUP COMPANIES

PQE performs a management and coordination activity with the other companies of the group, in which it holds 100% or majority shareholdings of the respective share capital. In order to map every possible risk for the Company, it is necessary to focus the attention on the fact that PQE S.r.l. could theoretically be subject to administrative sanctions pursuant to Legislative Decree 231 if a crime should be committed during the performance of the activities of one of the subsidiaries, as well as for their benefit or in their interest, if, in addition to the conditions established by law regarding the liability of the Italian company for the crimes committed abroad where applicable, the following



## Organisation, Management and Control Model

conditions take place: (i) the subject having a functional relationship with PQE Srl concretely contributes to the perpetration of the crime on behalf of the controlled legal entity, and (ii) PQE S.r.l. receives a concrete advantage or obtains an effective interest through the aforementioned crime committed during the activity performed by the other company. The occurrence of the above mentioned circumstances shall be assessed concretely and not on the basis of a general reference to the concept of "group interest".

In this regard, the subjects belonging to the PQE organization who shall cooperate in any way (also by performing management and coordination activities) in the performance of any activity of a company of the PQE group shall comply with the code of conduct and the protocols provided for in this Organizational Model (including the Code of Ethics).

In the Service Contract it is expressly indicated that each employee of PQE S.r.l. who provides services to other group companies is required to comply with the Organizational Model of the Company. It is also specified that the company that receives the services is required to implement the Organizational Model of PQE and the Code of Ethics and to ensure that employees and collaborators comply with the provisions of the Model and do not commit any crime provided for in Legislative Decree 231 during the performance of any activities related to the supply of services.

For the aforementioned purpose, the Organizational Model and the Code of Ethics are made available and can be consulted on the PQE intranet.

In addition, while performing management and coordination activities towards subsidiaries, the bodies of PQE shall act ethically, correctly and in compliance with the law provisions that are applicable from time to time (including articles 2497/2497 *septies* of the Civil Code, where applicable) as well as with the principles of correct corporate



## **Organisation, Management and Control Model**

and business management. The management and coordination activity shall be performed in such a way as to allow the companies subject to this activity to keep their own management autonomy, even though in line with the general indications provided by the parent company aimed at promoting guidelines and objectives to be shared with the companies of the group.

Furthermore, the management and coordination activity of the Company shall be performed transparently and through formal communications that may allow, where necessary, the subsequent reconstruction of the decision-making flow (for example, resolutions of the competent corporate bodies, written directives, etc.).

### **11) APPLICABLE CRIMES**

The types of crime that define the administrative liability of the entity are those indicated in the “Matrix of Activities at Risk of Crime” kept in the Company archives as well as in the Appendix attached to the Model.

## II - SPECIAL SECTION

### Preliminary notes

The Special Section of the PQE Model describes the general principles of behaviour, protocols and, more in general, the system of the controls that satisfy the need to prevent the crimes envisaged in Legislative Decree 231, in the context of specifically identified activities (the so-called sensitive activities).

Sensitive activities are defined on the basis of the managerial and operational organization of PQE and in relation to the specific types of crime identified during the performance of the Company activity.

The Special Section is the document which defines the conducts provided for all the recipients of the Model (Corporate Bodies, Management, Employees, but also Suppliers, Consultants and Third Parties in general), who have a role (of supervision, collaboration, etc.) in sensitive activities.

Specifically, the objective of the Special Section is, *inter alia*, that the recipients of the Model, in relationships with the Public Administration, suppliers and customers, keep a conduct in compliance with the reference principles set out below, in order to prevent the commission of crimes.

In the Special Section, the following are identified:

- Areas and/or Activities defined as "sensitive" or at risk of crime;
- the general principles of conduct with which all Company employees shall comply;
- the specific procedural provisions and protocols that translate the general principles of conduct into practical rules, for the correct application of the Model.



The following Crimes for which the Company undertakes the prevention activity envisaged by Legislative Decree 231 are identified in this Special Section - considering the nature, corporate purpose and activities of PQE:

1. Crimes connected to relations with the Public Administration (art. 24 and art. 25);
2. Cybercrime and unlawful data processing (art. 24-bis) and crimes related to the protection of copyright (art. 25-novies);
3. Corporate crimes (art. 25-ter) and “crimes connected to inducing individuals to refrain from making statements or to make false statements to legal authorities (art. 25-decies);
4. Market abuse (art. 25 sexies);
5. Crimes committed in violation of the regulations on health and safety at work (art. 25-septies);
6. Crimes of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering (art. 25-octies);
7. National and transnational organised crime (art. 24-ter);
8. Employment of illegally staying third-country nationals (art. 25-duodecies).

#### *PRINCIPLES ADOPTED FOR THE ASSESSMENT OF CRIMES*

As specified in the pages above, the “Matrix of Activities at Risk of Crime” contains a detailed risk mapping relating to sensitive areas for each company function pursuant to Legislative Decree 231/2001, kept in the Company archives. This Matrix also shows the level of risk of committing relevant crimes, which was calculated according to the analysis of the business context on the basis of the following "Risk Scale".

Risk scale		
<i>Low risk</i>	The probability of committing the crime can be assessed hypothetically.	
<i>Medium-low risk</i>	The probability of committing the crime is not negligible since the abstract case could actually materialize.	
<i>Medium risk</i>	The abstract case could actually materialize, but the company activities could rarely allow the occurrence of facts suitable to violate the protected legal entity.	
<i>Medium-high risk</i>	The probability of committing the crime is real since the company activities could, in some cases, allow the occurrence of facts suitable to violate the protected legal entity.	
<i>High risk</i>	The probability of committing the crime is real since the company activities could often allow the occurrence of facts suitable to violate the protected legal entity.	

The probability of committing a crime was assessed on the processes existing before the adoption of this Model, taking into consideration the activities performed by the company and the characteristics of the reference market. This assessment, which takes into account the risk scale, is the main subject of the “Matrix of Activities at Risk of Crime” kept in the company archives.

Once the sensitive activities and the relative level of risk have been identified, this Special Section takes into consideration the rules and procedures through which the company regulates and controls such at risk-activities, reducing the relative reported risk to the cases in which the person in charge of the activity breaches intentionally, or due to negligence or incompetence, the control measures indicated in the Model and in the organizational procedures.

In addition to the principle of probability, in order to regulate a number of activities at risk through *ad hoc* protocols, the impact of a penalty imposed on the Company for violation of the provisions envisaged by Legislative Decree 231 was taken into account, with particular reference to disqualification sanctions.

## 1. CRIMES COMMITTED IN RELATIONS WITH THE PUBLIC ADMINISTRATION (ART. 24 AND ART. 25, LEGISLATIVE DECREE 231/01)

### 1.1 SENSITIVE ACTIVITIES AND RISK ASSESSMENT

The most risky activities, in the context of this special section, are essentially the relations with the Public Administration. In general, the following are part of the sensitive activities:

- Management of public funding;
- Management of agents and collaborators;
- Management of inspections and verifications by public authorities;
- Management of tax compliance;
- Selection, hiring, management, assessment of the personnel and management of personnel social security;
- Purchase of goods and services;
- Reimbursement of employees' expenses;
- Management of judicial and extrajudicial disputes (for example, civil, tax, labour law, administrative, criminal proceedings), at all levels of judgment, appointment of external professionals and coordination of related activities;
- Assignment and management of professional consultancy and tasks;
- Performance of the direction and coordination activity;
- Management of entertainment expenses, gifts, promotion and sponsorship activities
- Management of the provision of services to other group companies;
- Management of relations with the Public Administration in general, Associations, Bodies, Independent Authorities, Income Revenue Authority, INPS (National Social Security Service), INAIL (National Institute for Insurance Against Accidents at Work), etc. and the management of judicial and extrajudicial disputes at all levels of judgment.

The following corporate structures are involved in the aforementioned activities:

- Chairman of the Board of Directors/CEO;
- Board of Directors;
- Single members of the Board of Directors;
- Vice President Finance & Legal;
- Sales and Marketing Director;
- HR Manager;
- IT Manager.

The risk assessment for each figure is reported in the “Matrix of Activities at Risk of Crime” kept in the company archives, while the types of crime against the Public Administration are described in detail in the Appendix attached to the Model.

In order to map every possible risk for the Company, it can be added that PQE S.r.l. could theoretically be subject to administrative sanctions pursuant to Legislative Decree 231 even if a crime, referred to in this Section, should be committed during the performance of the activities of another company of PQE group; with relation to this risk and the related protection instruments, please refer to the principles provided in section 9 of the General Section of this Model.

With particular reference to crimes against the Public Administration, the following definitions apply:

- “Public officer ”refers to anyone, public or private employer, who exercises a public legislative, judicial or administrative function. To this effect, the public administrative function is regulated by public law and by authoritative acts and it

is characterized by the formation and demonstration of the will of the public administration and by its implementation by means of authority or certificatory powers.

- "Person in charge of a public service" refers to anyone who provides a public service. For this purpose, the term "public service" shall be interpreted as an activity regulated in the same way as the public function, but it is characterized by the lack of the typical powers of the public function, with the exclusion of the performance of simple order tasks and the performance of a merely material work.

## 1.2 GENERAL PRINCIPLES OF CONDUCT

Corporate bodies, employees of PQE and third parties, limited to their respective obligations covered by the organizational and procedural provisions and by the Code of Ethics, are required to observe the following general principles:

- strict observance of all internal laws and regulations governing the relations with the Public Administration;
- strict observance of the delegation of responsibilities for all activities that affect the relations with the Public Administration;
- develop a sense of responsibility, business correctness and a spirit of collaboration in the relations with public and private counterparts, in compliance, *inter alia*, with the Code of Ethics.

Consequently, it is forbidden:

- to breach the rules included in the organizational and procedural provisions and in the documentation adopted to implement the principles envisaged in this Special Section;

- to breach the principles and rules of the Code of Ethics;
- to grant advantages of any kind (money, promises to hire somebody or confer professional tasks, etc.) in favour of representatives of the Italian or foreign Public Administration, or their family members, aimed at obtaining favourable treatments in the performance of any business activity or which may, in any case, influence the independence of judgment or lead to ensure any advantage for the company;
- to distribute gifts and perform acts of courtesy and hospitality towards representatives of governments, public officers and public employees if not of modest value, so as not to compromise the reputation of one of the parties and not to be able to be interpreted, by an impartial observer, as aimed at improperly obtaining advantages;
- to submit requests for the reimbursement of expenses not actually incurred, which could represent a way of setting up slush funds to be used for bribery purposes;
- to perform services in favour of consultants and partners without any adequate justification in the context of the contractual relationship established with each other, as well as offer remunerations in their favour without any adequate justification in relation to the type of task to be performed and the current practices in force in the local context;
- to provide unnecessary services, invoice services that have not actually been provided; duplicate an invoice for the same service; omit the issue of credit notes if services that are, wholly or partly, non-existent have been invoiced, also by mistake;
- to implement such behaviours, considered individually or collectively, as to integrate, directly or indirectly, the types of crime included among those

considered above;

- to provide false declarations to national or European Community public bodies, in order to obtain public funds or soft loans;
- to grant contributions, subsidies or loans allocated in order to encourage initiatives aimed at the execution of works or the performance of activities of public interest, obtained by the State or by the European Communities, for different purposes;
- to provide false declarations or documentation to national or European Community public bodies in order to obtain tax cuts or deductions;
- to provide false declarations and/or alter the records to be sent to insurance and social security institutions in order to obtain undue indemnities, refunds or favourable tax treatments.

### 1.3 PROTOCOLS

The operating procedures for the management of some of the Sensitive Activities taken into consideration in this Special Section (including the management of the relevant documentation) are regulated also by the following procedures:

- PQE Quality Manual;
- *Management of New Resources* procedure;
- *Expense Management*;
- Expense Control Management;
- Fine Control Management

The aforementioned procedures shall be brought to the attention of all concerned parties, employees and other external subjects who operate on behalf of PQE also, where possible, through the publication on the Company intranet.



As mentioned above, in relation to reimbursement of expenses, the policy called *Expense Management* is applied. In addition:

- each employee shall obtain the approval from his/her line manager, in compliance with the applicable corporate *policies*;
- function managers shall comply with the rules for approving the purchase of goods and services according to corporate *policies*, in particular the *Purchase Management* policy;
- the use of credit cards is also regulated by the *Expense Management* policy.

As regards the management of the relations with public officers, the following specific rules are also observed during inspections by public authorities:

- all obligations and relations with the Public Administration, or its representatives, shall be fulfilled with the utmost transparency, diligence and professionalism in order to provide clear, accurate, complete and faithful information, avoiding and reporting any conflict of interest;
- employees who enter into contact with the representatives of the Public Administration and related bodies shall communicate in advance the reasons for such contacts to their respective higher-level managers;
- the management of the relations in the event of inspections/verifications by the Public Authorities, also carried out for the purpose of verifying the compliance with the legal provisions that govern the Company activities, is attributed to the Managing Director and/or to the persons specifically authorised by the latter in writing, taking into account the subject of the inspection/verification. For example, any verification relating to employees' positions (INAIL, INPS etc.) may

be managed by the HR Manager;

- as regards inspections/verifications carried out by the officers of the Public Authorities at the Company headquarters, in addition to the Managing Director or the persons specifically authorised as referred to in the previous point, at least one more person participates in the meetings with the officers, unless a single person is expressly required by the Authority;
- all contacts with the Public Administration that took place during inspections/verifications shall be duly formalized in writing;
- the documentation sent or provided to the Public Administration during inspections/verifications shall be subject to prior verification in order to guarantee the completeness, accuracy and truthfulness of the data and information provided;
- the reports and the results of the inspections/verifications shall be shared with the administrative bodies of the Company in order to define the action plan for the appropriate implementation of the corrective actions required in the event of any deficiencies detected by the Public Administration;
- if the Public Authority should not issue any report, the Managing Director, or the authorised person, shall draw up a specific note on the progress of the inspection/verification;
- the reports from the Public Authorities and the notes drawn up during inspections/verifications shall be sent immediately to the Supervisory Body by the Managing Director or by the authorised person and kept in the Company archives.

#### 1.4 COMMUNICATIONS TO THE SUPERVISORY BODY

Through the proper dedicated channels :



## Organisation, Management and Control Model

- anyone who becomes aware of violations of the Organization Model or the Code of Ethics or of dangerous situations or anomalies shall immediately report them to the SB;
- anyone who becomes aware of violations of internal procedures shall immediately report them to the SB;
- the reports from the Public Authorities and the notes drawn up on the occasion of inspections / verifications shall be sent immediately to the SB by the Managing Director or by the authorised person and kept in the Company archives.

## 2. CYBERCRIMES AND UNLAWFUL DATA PROCESSING (ART. 24 BIS, LEGISLATIVE DECREE 231/2001) AND COPYRIGHT INFRINGEMENT CRIMES (ART. 25 NOVISS, LEGISLATIVE DECREE 231/01))

### 2.1 SENSITIVE ACTIVITIES AND RISK ASSESSMENT

The at risk-activities are the ones related to the management of the corporate IT system and the activities supported by information and telematics systems for the processing and transmission of accounting and fiscal data. In the event of alteration or tampering with data or software programs used for processing of the data, the correct management of the processed data may not be guaranteed.

In addition, the hardware and software equipment could also be used illegitimately in order to commit cybercrimes and copyright infringement.

Sensitive activities are:

- Supply of personal computers by the company resources and access of the company resources to internal/external systems (e.g. access to the accounting system for the modification of information relevant to the financial statement and consolidated balance sheet, access to the IT systems of customers, companies, etc.);
- Supply of personal computers by the company resources with the possibility to install software programs and access to the internet and intranet network of the Company;
- Management of telematics activities with public bodies;
- Management of telematics connections and data transmission on IT supports to public bodies;
- Management of the reproduction and dissemination within the company information systems of works protected by copyright and related rights.

In order to map every possible risk for the Company, it can be added that PQE S.r.l. could theoretically be subject to administrative sanctions pursuant to Legislative Decree 231 even if a crime, referred to in this Section, should be committed during the performance of the activities of another company of PQE group; with relation to this risk and the related protection instruments, please refer to the principles provided in section 9 of the General Section of this Model.

In general, all the company personnel who benefits from the aforementioned resources is involved. The relative level of risk is shown in the "Matrix of Activities at Risk of Crime" kept in the Company archives.

With particular reference to the crimes indicated in this section, the following definitions apply:

- "IT system" refers to any electronic system that allows the automatic transmission and processing of data, regardless of the state of the technology used;
- "Telematics system" refers to any system which derives from the integration of information and telecommunication technologies and which allows the transmission of data through the telephone, analogue or digital network or other type of network (for example, fax, skype, etc.).

## 2.2 CONTROL PRINCIPLES AND ELEMENTS

In addition to the prescriptions relating to the use of corporate resources contained in the Code of Ethics, the Company adopted the following procedures:

- PQE Quality Manual;
- *IT Security Policy*;
- *General IT Security Policy*;
- Skype PQE Business Account

The aforementioned procedures shall be followed by the Corporate Bodies and all PQE employees since they contain very important information about IT and the correct use of company IT tools and also about the monitoring activities for the use and adequacy of the aforementioned technological and information systems.

The aforementioned procedures shall be brought to the attention of all concerned parties, employees and other external subjects who operate on behalf of PQE also through the publication on the Company intranet.

### 2.3 GENERAL PRINCIPLES OF CONDUCT

The corporate bodies, employees of PQE and third parties, limited to their respective obligations covered by the organizational and procedural provisions and by the Code of Ethics, are required to observe the following general principles:

- strict observance of all internal laws and regulations governing the access and use of IT and telematics systems of the company as well as of third parties;
- strict observance of all internal laws and regulations governing the reproduction, representation, dissemination and making available of works, materials, images, logos, sounds, etc., covered by copyright and the installation of licensed software programs;
- compliance with the minimum safety measures provided for in Annex B of Legislative Decree 196/2003 as regards the use of access codes to IT systems.

The recipients of this Model are prohibited from:

- implementing such behaviours, considered individually or collectively, as to integrate, directly or indirectly, the types of crime included among those considered above (art. 24-bis of Legislative Decree 231/2001);
- breaching the principles and rules of the Code of Ethics;
- illegally accessing protected IT or telematics systems;
- remaining within IT or telematics system against the - express or tacit - will of those who have the right to deny such access;
- violating the safety protection measures of IT or telematics systems - of the company or others - and the information they contain;
- improperly using digital signature devices to send documents having legal and evidentiary value that does not correspond to the original;
- altering, in any way, the operation of an IT or telematics system of the Public Administration and/or illegally accessing data, information or software programs contained in such system;
- altering IT documents having an evidentiary value as regards the proceedings related to the Company;
- reproducing, duplicating, representing, distributing, illegally making available - wholly or partly- works, materials, images, logos, sounds, etc., covered by copyright or other intellectual/industrial property rights;
- installing software programs without the authorization of the manager and the person in charge of information systems;
- communicating to third parties or allowing third parties to take possession of and/or use the access codes to IT and telematics systems (with particular reference to passwords), which shall be carefully kept;

- carrying out the download and exchange of software programs, music files, images or videos (unless the material belongs to the company);
- breaching, in any way, the copyright, database rights, trademarks or other intellectual property of any party;
- violating the rules contained in the organizational and procedural provisions and in the documentation adopted to implement the reference principles provided for in this Special Section.

#### 2.4 COMMUNICATIONS TO THE SUPERVISORY BODY

Through the proper dedicated channels :

- anyone who becomes aware of violations of the Organization Model or the Code of Ethics or of dangerous situations or anomalies shall immediately report them to the SB;
- anyone who becomes aware of violations of internal procedures shall immediately report them to the SB.



### 3. CORPORATE CRIMES AND CRIME OF INDUCEMENT TO REFRAIN FROM MAKING STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE LEGAL AUTHORITIES

#### 3.1 SENSITIVE ACTIVITIES AND RISK ASSESSMENT

The at-risk activities (Sensitive Activities) are those connected with the obligations related to the drawn up of the financial statement and consolidated balance sheet (including the collection of accounting data from subsidiaries), the management of the corporate bodies and related communications, the accounting management; the management of corporate obligations; share capital operations and profit allocation; the personnel's social security; the management of judicial and extrajudicial disputes at all levels of judgment; appointment of external professionals and coordination of related activities; selection, hiring, management and assessment of the personnel; the purchase of goods and services; the reimbursement of employees' expenses; the management of customer's relationships.

The following corporate functions are involved in the aforementioned activities:

- Board of Directors
- Chairman of the Board of Directors
- Vice President Finance and Legal
- HR Manager
- Personnel involved in the accounting data processing
- Sales and Marketing Director

In order to map every possible risk for the Company, it can be added that PQE S.r.l. could theoretically be subject to administrative sanctions pursuant to Legislative Decree 231 even if a crime, referred to in this Section, should be committed during the performance of the activities of another company of PQE group; with relation to this risk and the related protection instruments, please refer to the principles provided in section 9 of the

General Section of this Model.

The analysis of the risk of committing the aforementioned crimes is reported in the “Matrix of Activities at Risk of Crime” pursuant to Legislative Decree 231/2001 kept in the Company archives.

### 3.2 CONDUCT PRINCIPLES AND PROTOCOLS

All directors, managers, employees, collaborators and consultants of the Company, limited to their respective obligations envisaged by the organizational and procedural provisions and the Code of Ethics, are required to observe the following general principles:

- strict observance of all internal laws and regulations governing the sensitive activities referred to in this section;
- strict compliance with everyone's responsibilities for all activities that influence the sensitive activities referred to in this section.
- the utmost fairness and transparency in relationships with customers

Consequently, it is forbidden:

- to exert undue pressure on employees required to make statements to the legal authorities so that they do not make statements or make false statements;
- to grant salary increases or rewards to employees in order to convince/induce them not to make statements or to make false statements to the Legal Authority;
- to implement such behaviours, considered individually or collectively, as to integrate, directly or indirectly, the types of crime included among those considered above;

- to breach the rules contained in the organizational and procedural provisions and in the documentation adopted to implement the reference principles provided for in this Special Section;
- to provide or transmit for the processing of financial statements, reports or other corporate communications, false or incomplete data or data that does not correspond to reality, on the economic and financial situation of the Company, subsidiaries and/or associated companies;
- to omit data and information imposed by the law on the economic and financial situation of the Company, subsidiaries and / or associated companies;
- to falsely increase the values of shareholdings in subsidiaries within financial statements, reports or other corporate communications, through the unjustified overestimation of developed or developing patents/licenses/permits or business ideas;
- to adopt behaviours that materially prevent or hinder, through the concealment of documents or the use of other fraudulent means, the control or audit activity by the auditing company;
- to disclose false information in external communications, or conceal relevant information about the economic or financial conditions of the Company or subsidiaries;
- to adopt any behaviour that may hinder the performance of supervisory or control functions even during inspection by public supervisory authorities (express opposition, refusals or even obstructionism or non-collaboration, such as delays in communications or in making documents available);

- to return contributions to shareholders or release the shareholders from the obligation to make them, except in cases of legitimate reduction of share capital, in any form not specifically included among those described below;
- to allocate profits or advances on profits not actually made or allocated by law to reserves;
- to purchase or subscribe Company shares or shares of subsidiaries outside the cases provided by law, causing damage to the integrity of the share capital;
- to carry out share capital reductions, mergers or demergers, in violation of the law provisions protecting creditors, causing damage to the creditors themselves;
- to falsely create or increase the share capital by allocating shares for less than their face value, when setting up a company or increasing the share capital;
- to divert the company assets, during the liquidation of the Company, from their allocation to creditors, distributing them among the shareholders before paying the creditors or setting aside the amounts required to satisfy them;
- to determine or influence the decision-making process of the meeting, implementing simulated or fraudulent actions aimed at altering the regular procedure of the meeting;
- to give or promise money or other benefits to directors, general managers, directors in charge of drawing up accounting documents, liquidators, as well as to persons subject to their supervision to perform or omit actions in violation of their loyalty obligations.

Furthermore, the Company adopted a series of preventive, specific and concrete measures. They shall include, but shall not be limited to:

- the dissemination of the Code of Ethics and the Organizational Model and compliance with the principles contained therein;
- the adoption and implementation of specific internal procedures, including the *Management of New Resources Procedure*;
- *Third Party Auditing Management*;
- the traceability of intergroup services through the formalization of a specific contract between PQE and the group companies.
- the involvement of multiple subjects in the drawn up of the corporate financial statements with a segregation of roles and cross-checking;
- the traceability, formalization and filing of accounting and corporate documents;
- the absence of expenditure autonomy for employees and collaborators who have a direct contact with customers, outside the cases expressly provided for in the company policies and subject to the implementation of the related authorization and control system.

### 3.3 COMMUNICATIONS TO THE SUPERVISORY BODY

Through the proper dedicated channels :

- anyone who becomes aware of violations of the Organization Model or the Code of Ethics or of dangerous situations or anomalies shall immediately report them to the SB;



## **Organisation, Management and Control Model**

- anyone who becomes aware of violations of internal procedures shall immediately report them to the SB.

#### 4. MARKET ABUSE (ART. 25 SEXIES, LEGISLATIVE DECREE 231/01)

##### 4.1 SENSITIVE ACTIVITIES AND RISK ASSESSMENT

The risk analysis did not highlight any significant risk profiles with respect to market abuse, also considering the extreme improbability of an interest or an advantage for the Company. Nevertheless, as a precautionary measure, a series of principles were defined in relation to these cases. In particular, the Board of Directors and, more in general, PQE employees are required to comply with the principles of conduct indicated below.

##### 4.2 GENERAL PRINCIPLES OF CONDUCT

The corporate bodies, employees of PQE and third parties, limited to their respective obligations envisaged by the organizational and procedural provisions and by the Code of Ethics, are required to observe the following general principles:

- refrain from behaving in such a way as to integrate the aforementioned market abuse and administrative crimes referred to in this Model;
- refrain from assuming behaviours which, although they do not represent any type of illegal act or administrative crime falling within those considered above, can potentially become so;
- refrain from carrying out simulated or fraudulent operations, as well as from disseminating false or incorrect information which may cause a significant alteration in the price of quoted financial instruments or for which a request for admission to trading was submitted on a regulated market.

The recipients of this Model are prohibited from:

- using or providing privileged information received from third parties relating to financial instruments or issuers of quoted financial instruments, or obtained even outside the professional activity;

- participating in discussion groups or chat rooms on the Internet, concerning financial instruments or issuers of quoted financial instruments, in which there is an exchange of information concerning quoted financial instruments, or quoted companies in general or financial instruments issued by these subjects, unless they are institutional meetings for which legitimacy has already been proved by the competent functions and/or unless there is an exchange of information whose non-privileged nature is evident;
- soliciting the achieving of privileged information from third parties on financial instruments or issuers of quoted financial instruments, except if on the basis of contractual agreements or in accordance with applicable laws;
- providing any information within the Company, the committees, the collegial bodies without the compliance with the current legislation on privileged information;
- leaving any documentation containing privileged information in places where it could easily be read by people who are not authorized to know such information according to the provisions of the current legislation.

With reference to the communication and external dissemination of *price sensitive* information, recipients are expressly prohibited from:

- disclosing to third parties privileged information relating to financial instruments or issuers of quoted or not quoted financial instruments of which one has become aware in any way, except if such disclosure is required by law, by other regulatory provisions or by specific contractual agreements according to which the counterparties have undertaken to use such privileged information exclusively for



the purposes for which such information is transmitted, and to maintain the confidentiality thereof;

- disseminating false or misleading market information through means of communication, including the internet, or through any other means;
- providing assessments or news on a financial instrument or an issuer without first checking the reliability and non-privileged nature of the information;
- advising third parties about investment transactions on the basis of privileged information in their possession;
- discussing about privileged information of which one has become aware in any way in the presence of strangers or subjects not authorized to know such information according to the current legislation;
- discussing about privileged information over the phone in public places or in the office with the "speaker" mode, in order to avoid that privileged information can be heard by strangers or in any case by subjects not authorized to know such information in accordance with the provisions of the current legislation.

#### 4.3 PROTOCOLS

In addition to the rules set out in this Special Section, the principles provided for in the Code of Ethics shall be observed and brought to the attention of all concerned parties, employees and other external subjects who operate on behalf of PQE also through the publication on the internet and intranet of the Company.

#### 4.4 COMMUNICATIONS TO THE SUPERVISORY BODY

Through the proper dedicated channels :

- anyone who becomes aware of violations of the Organization Model or the Code of Ethics or of dangerous situations or anomalies shall immediately report them to the SB;
- anyone who becomes aware of violations of internal procedures shall immediately report them to the SB.

## 5. CRIMES COMMITTED IN BREACH OF ACCIDENT PREVENTION RULES AND RULES ON OCCUPATIONAL HEALTH AND SAFETY (ART. 25 SEPTIES, LEGISLATIVE DECREE 231)

As already mentioned, PQE does not perform any activities at high risk of accidents in the workplace. Nevertheless, in compliance with the provisions of Legislative Decree No. 81/2008 regarding the health and safety of workers in the workplace, the related obligations were fulfilled by the Company, including the adoption of the Risk Assessment Document and all the procedures aimed at preventing the risk of committing crimes indicated in Legislative Decree 81/2008.

This chapter describes, only for the purpose of outlining the administrative liability of the entities, the crimes committed in violation of the accident prevention rules and rules on protection of hygiene and health at work, envisaged by article 25 *septies* of Legislative Decree 231; the perpetration of such crimes by subjects connected to the Company may lead to liability for the Company itself.

### **Manslaughter – Art. 589 of the Criminal Code**

The crime consists of cases where an individual causes the death of a person as a result of not observing the regulations for the prevention of injury in the workplace.

### **Personal injury through negligence – Art. 590 of the Criminal Code**

The crime consists of cases where an individual causes an injury of a person as a result of violating the regulations for the prevention of injury in the workplace.

#### 5.1 CONSOLIDATED ACT ON SAFETY IN THE WORK PLACE – LEGISLATIVE DECREE 81/2008

The provisions of Legislative Decree 81/2008 represent the implementation of article 1 of law No. 123 of 3 August 2007, for the new adaptation and reformation of the current rules

on the health and safety of workers in the workplace through the reorganization and coordination of the rules themselves in a single regulatory text.

The Risk Assessment Document ("DVR" in Italian) pursuant to art. 28 of Legislative Decree 81/2008, compulsorily drawn up by the employer with the participation of the Prevention and Protection Service Manager ("RSPP" in Italian), the competent physician and the Workers' Safety Representative ("RLS" in Italian), where appointed, shall contain:

- a report on the assessment of all risks for the health and safety of workers in the workplace, including those concerning groups of workers exposed to particular risks, among which work-related stress and those concerning female workers in the state of pregnancy, as well as those related to gender differences, age, origin from other countries and to the specific contract according to which the work is performed, specifying the criteria adopted for the corresponding assessment;
- the indication of the prevention and protection measures adopted and the personal protection equipment used after the risk assessment;
- the measures to guarantee the improvement of safety levels over time;
- the identification of the procedures for the implementation of the measures, as well as the roles of the corporate organization that shall implement such measures, to which only subjects with adequate skills and powers shall be assigned;
- the indication of the name of the prevention and protection service manager, the workers' safety representative and the competent physician who participated in the risk assessment;
- the identification of the tasks that may expose the workers to specific risks, which require professional ability, specific experience and adequate training.

The assessment and the document shall be reprocessed immediately (and in any case no later than 30 days from the respective reasons reported) in the event of significant changes

in the production process or work organization, for the worker's safety/health, or in relation to the degree of evolution of technique, prevention and protection or after significant accidents or when the results of supervision require it.

With regard to culpable crimes committed in violation of the workplace safety legislation, Art. 30 of Legislative Decree 81/2008 provides for the characteristics and requisites an organization and management model shall own in order to be capable of exempting the administrative liability of legal persons, companies and associations, even without legal personality, pursuant to Legislative Decree 231 of 8 June 2001.

According to art. 30 of Legislative Decree 81/2008, the organization and management model suitable for exempting the administrative liability of legal persons pursuant to Legislative Decree 231/2001 shall be adopted and effectively implemented, thus ensuring a system for the fulfilment of all legal obligations relating to:

- a) compliance with the technical-structural standards relating to equipment, plants, workplaces, chemical, physical and biological agents;
- b) risk assessment and development of the prevention and protection measures;
- c) organizational activities, such as emergency, first aid, contract management, periodic safety meetings, consultations of workers' safety representatives;
- d) health supervision activities;
- e) information, education and training activities;
- f) supervisory activities with reference to the compliance with work procedures and work safety instructions by the workers;
- g) acquisition of mandatory documents and certifications;
- h) periodic checks of the application and effectiveness of the procedures adopted.

Furthermore, the organization and management model shall include:

- suitable systems for the recording of the aforementioned activities;

- a disciplinary system suitable for sanctioning the inobservance of the measures indicated therein;
- an independent supervision and control system for the performance of the aforementioned activities.

Paragraph 5 of the same art. 30 provides that: *“In the first application, the company organization models defined in compliance with the UNI-INAIL guidelines for a workplace health and safety management system (SGSL) of 28 September 2001 or British Standard OHSAS 18001: 2007 are assumed to comply with the requirements under this article for the corresponding parts”.*

## 5.2 SENSITIVE ACTIVITIES AND RISK ASSESSMENT

The at-risk activities (Sensitive Activities) are those involved in the processes related to the implementation of the measures necessary to protect the worker in the workplace and, according to the type of activity performed by the Company, are identified in the Risk Assessment Document ( "DVR" in Italian) adopted by the Company.

The culpable violation of the rules related to accident prevention and protection of hygiene and health at work can result in the failure to pay sums for the correct operation of the company safety system; for example, the establishment of an inadequate Prevention and Protection Service, the failure to purchase personal protective equipment, the use of such equipment beyond the expiry date or acceptable wear limits, the failure to maintain the equipment, the failure to update technologies, the lack or insufficient training of personnel.

The following corporate structures are involved in the activities referred to in this Special Section:

- Employer pursuant to Legislative Decree 81/2008;
- Workers' Safety Representative;
- Prevention and Protection Service Manager;
- Competent physician.

### 5.3 GENERAL PRINCIPLES OF CONDUCT

The directors, Company employees, consultants and collaborators, limited to the respective obligations envisaged by the organizational and procedural provisions and the Code of Ethics, are required to observe the following general principles:

- strict compliance with all laws and internal rules regulating the health and safety of workers in the workplace, in particular the *Environmental Health and Safety Policy*.
- strict observance of the responsibilities defined for all the activities that influence the health and safety of workers in the workplace.

It is forbidden:

- to implement such behaviours, considered individually or collectively, as to integrate, directly or indirectly, the types of crime included among those considered above (art. 25-septies of Legislative Decree 231);
- to breach the rules included in the organizational and procedural provisions as well as in the documentation adopted to implement the reference principles provided for in this Special Section;
- violate the principles and rules of the Code of Ethics.

### 5.4 PROTOCOLS

The management of the Sensitive Activities envisaged in this Special Section is regulated by a series of principles and rules which have their binding references in the following points:

- correct identification and designation of the Employer and the authorised subjects;
- correct identification and designation of the Prevention and Protection Service Manager;
- correct identification and designation of the persons in charge of the Prevention and Protection Service and Safety Managers;
- Prevention and Protection Service suitable for the characteristics of the company;
- correct assignment of the powers and/or tasks to all parties involved in the safety organization;
- constant verification of the compliance of workplace and machines with the general safety requirements referred to in Annexes IV and V of Legislative Decree 81/08;
- adequate training programmes for all parties involved in the safety organization;
- adequate training programmes for all workers, also in consideration of linguistic difficulties of some foreign workers in the company personnel.

In addition, a corporate system was implemented for the fulfilment and observance of all legal obligations pursuant to Legislative Decree 81/08 at the headquarters of the Company. In particular, with respect to the obligations pursuant to art. 30 of Legislative Decree 81, PQE proceeds as indicated in the table below:

<b>Legal obligations pursuant to art. 30 of Legislative Decree 81</b>	<b>Procedures or instructions adopted</b>
(a) compliance with the technical-	Drafting of the Risk Assessment Document



structural standards relating to equipment, plants, workplaces, chemical, physical and biological agents	and documents for the assessment of specific risks, containing the criteria adopted for the risk assessment and the definition of a risk table where the assessed risk is determined by two factors: the probability that the risk becomes a damage and the extent of the damage that could occur. Identification of the prevention and protection measures associated with each type of risk and the related probability/extent.
(b) risk assessment and development of prevention and protection measures	Drafting of the Risk Assessment Document and document for the assessment of specific risks, containing the criteria adopted for the risk assessment and the definition of a risk table where the assessed risk is determined by two factors: the probability that the risk becomes a damage and the extent of the damage that could occur. Identification of the prevention and protection measures associated with each type of risk and its probability/extent.
(c) obligations related to organizational activities, such as: <ul style="list-style-type: none"> <li>➤ emergency, first aid,</li> <li>➤ management of contracts</li> <li>➤ periodic safety meetings, consultations of workers' safety representatives</li> </ul>	<p>Internal appointments of persons in charge of safety and emergency/ first aid, safety managers and competent physician. Drafting of the Emergency Plan.</p> <p>In case of contracts with external companies, verification of the professional/technical qualification of external contractors, drafting of Interference Risk Assessment Document ("DUVRI" in Italian).</p> <p>In case of contract work assigned to a third-party company as a contractor, drafting, according to the type of work to be performed, of the Operational Safety Plan ("POS" in Italian), the Safety and Coordination Plan ("PSC" in Italian) or the</p>

	<p>Interference Risk Assessment Document ("DUVRI")</p> <p>Annual meeting pursuant to art. 35 of Legislative Decree 81/08.</p>
(d) health supervision activities	Adoption of a Health Protocol for periodic health check-ups to which all employees are subject.
(e) information, education and training activities	<p>The Company, according to the activities performed, can be classified in the low-risk macro-category.</p> <p>All employees receive adequate information about the risks, prevention measures and the procedures adopted concerning:</p> <ul style="list-style-type: none"> <li>- general training (concepts of risk, damage, prevention, protection, prevention organization, rights, duties and sanctions for the different supervising, control and assistance bodies);</li> <li>- Accident risk related to the use of environments, work equipment, material handling;</li> <li>- Electrical risk;</li> <li>- Fire risk;</li> <li>- Explosion risk;</li> <li>- Physical and chemical risks;</li> <li>- Risk of exposure to noise;</li> <li>- Risk of exposure to electromagnetic fields;</li> <li>- Risk of exposure to artificial optical radiation;</li> <li>- Risk of exposure to chemical, carcinogenic and mutagenic agents;</li> <li>- Risk of exposure to biological agents;</li> </ul>

	<ul style="list-style-type: none"> <li>- Risk of exposure to asbestos;</li> <li>- Video terminals;</li> <li>- Work transfers;</li> <li>- Work organization;</li> <li>- Workplaces;</li> <li>- Means of transport;</li> <li>- Microclimate;</li> <li>- PPE;</li> <li>- Work-related stress;</li> <li>- Manual handling of loads;</li> <li>- Signs;</li> <li>- Emergency and exodus procedures;</li> <li>- Safety operating procedures and instructions;</li> <li>- First aid;</li> <li>- Protection of pregnant workers;</li> <li>- Protection of workers with disabilities;</li> <li>- Work risks with reference to gender, age and origin from other countries.</li> </ul>
(f) supervisory activities with reference to the compliance with work procedures and work safety instructions by the workers	For each risk category, measures are defined in order to maintain and improve the safety levels within the company, with specification of the periodicity as well as of the subjects who shall ensure the implementation of such measures.
(g) acquisition of mandatory documents and certifications	Mandatory certifications are acquired.
(h) periodic checks of the application and effectiveness of the procedures adopted	Periodic inspections in the workplace to verify the following: premises, toilets, air changes, machinery and equipment, PPE, work methods, organizational aspects and first aid health facilities

As regards the aforementioned risk areas and related sensitive activities, the Company adopted a series of specific preventive measures. They include, but are not limited to:

- the dissemination of the Code of Ethics and Organizational Model and the compliance with the provisions included therein;
- the drafting of the RAD (Risk Assessment Document) pursuant to Legislative Decree 81/08;
- the drafting of the Emergency and Evacuation Plan pursuant to Ministerial Decree of 10 March, 1998;
- the definition of an organization chart as regards safety.

Please note that all the documentation mentioned above or in any case adopted by the Company as regards safety shall be fully implemented and considered as an integral part of this Organization Model.

#### 5.5 COMMUNICATIONS TO THE SUPERVISORY BODY

Through the proper dedicated channels :

- anyone who becomes aware of violations of the Organization Model or the procedures adopted shall immediately report them to the SB;
- anyone who becomes aware of dangerous situations and/or inadequacy of the preventive system implemented to protect the health and safety of workers, and/or dangerous situations or irregularities shall immediately report them to the SB.

In addition, the Safety, Protection and Prevention Manager ("RSPP" in Italian) shall send a copy of the following reports to the Supervisory Body:

- minutes of the periodic meeting pursuant to art. 35 of Legislative Decree 81/08;
- report on any accidents at work or almost accidents occurred within the Company pursuant to Legislative Decree 231;



## Organisation, Management and Control Model

- any inspection reports relating to safety;
- periodic *check list* by the “RSPP”;
- the results of the annual audits carried out by the Company or external certification bodies.

## 6. CRIMES OF HANDLING STOLEN GOODS, MONEY LAUNDERING AND USE OF MONEY, GOODS OR PROPERTY OF UNLAWFUL ORIGIN (ART. 25 OCTIES, LEGISLATIVE DECREE 231/01)

### 6.1 SENSITIVE ACTIVITIES AND RISK ASSESSMENT

At-risk activities (Sensitive Activities) are those that involve the process of purchasing goods or services, the management of monetary and financial flows (invoicing and payments), the management and negotiation of contracts and investments and the implementation of corporate fulfilments.

With particular reference to the management of purchases, although this activity is extremely limited considering the activity performed by the Company, sensitive activities are connected with the supply of goods and services; drafting of purchase requests; order issues; supplier's record management; search and selection of suppliers; receiving of goods and services and issue of the payment approval; intergroup activities performed among the companies belonging to the same group.

The identification of the main corporate functions involved in the aforementioned activities and the risk assessment are reported in the "Matrix of Activities at Risk of Crime" kept in the archives of the company. In particular, the main functions are the ones that are mostly involved in sensitive activities:

- Chairman of the Board of Directors/CEO
- Vice-President Finance & Legal
- Board of Directors
- HR Manager
- Single Directors
- Function Managers
- Legal representatives with banking powers

## 6.2 GENERAL PRINCIPLES OF CONDUCT

The directors, managers, employees and collaborators of the Company, limited to the respective obligations envisaged by the organizational and procedural provisions and the Code of Ethics, are required to observe the following general principles:

- strict compliance with all internal laws and rules regulating sensitive activities;
- in particular, compliance by the competent subjects with the obligations to identify and communicate the effective holder pursuant to Legislative Decree No. 90 of 25 May 2017 and any amendments and additions;
- strict observance of the responsibilities defined for all activities having an impact on sensitive activities;
- provide that goods and services are supplied by the most advantageous source as for quality, delivery time, reliability and price;
- observe the policies, responsibilities and rules of conduct within which the process of acquiring goods and services shall be implemented and developed.

Consequently, it is forbidden:

- to implement such behaviours, considered individually or collectively, as to integrate, directly or indirectly, the types of crime included among those considered above;
- to breach the rules included in the organizational and procedural provisions and in the documentation adopted to implement the reference principles provided for in this Special Section;

- to purchase, receive or conceal fraudulently, or with the awareness of their unlawful origin, goods or services at a price that is lower than the market price since they originate from a previous crime committed by the seller or by others;
- to purchase, receive or conceal goods or services in the presence of incomplete or inaccurate purchase documentation, accepting the risk of the possible illegal origin of the same goods or services;
- to transfer money, goods or other benefits, being aware that they originate from a criminal activity or from participation in such activity;
- to conceal the real nature, origin, location or ownership of money, goods or other benefits, being aware that they originate from a criminal activity or from participation in such activity;
- to use money, goods or other benefits in economic and financial activities, being aware that they originate from a criminal activity or from participation in such activity;
- to transfer money, goods or other benefits originating from an intentional crime, or carry out other transactions in relation to them, in order to prevent the identification of their criminal origin.

### 6.3 PROTOCOLS

Specific organizational rules are included in the Code of Ethics, the Quality Manual and the *Purchase Management*, *Supplier Qualification* and *Expense Management* procedures.

The aforementioned procedures shall be brought to the attention of all concerned parties, employees and other external subjects who operate on behalf of PQE, also through their publication on the Company intranet.

In addition, the Company formalised the supply of administrative services to subsidiaries





## Organisation, Management and Control Model

through a specific Service Contract signed with the aforementioned companies. All financial flows deriving from the aforementioned supply relationship are managed in full compliance with this Model and the applicable company procedures.

### 6.4 COMMUNICATIONS TO THE SUPERVISORY BODY

Through the proper dedicated channels :

- anyone who becomes aware of violations of the Organization Model or the Code of Ethics or of dangerous situations or anomalies shall immediately report them to the SB;
- anyone who becomes aware of violations of internal procedures shall immediately report them to the SB.

## 7. NATIONAL AND TRANSNATIONAL ORGANISED CRIME

### 7.1 SENSITIVE ACTIVITIES AND RISK ASSESSMENT

With reference to national and transnational organized crimes, the main sensitive activities are identified as follows:

- management of intergroup activities, including international activities;
- management and coordination of other group companies;
- management of intergroup contracts (for example, the Service Contract);
- financial flow management;
- management of relationships with third parties (for example suppliers, consultants or collaborators);
- management of relationships with banks and financial institutions, including the foreign ones;
- activities that involve the entry of a person into the national territory (including the recruitment of foreign citizens);
- management of tax compliance.

In order to map every risk for the Company, it can be added that PQE S.r.l. could theoretically be subject to administrative sanctions pursuant to Legislative Decree 231 even if a crime, referred to in this Section, should be committed during the performance of the activities of another company of PQE group; with relation to this risk and the related protection instruments, please refer to the principles provided in section 9 of the General Section of this Model.

The functions involved in the aforementioned processes are:

- Board of Directors;
- Chairman of the Board of Directors/CEO
- Vice-President Finance & Legal
- Board of Directors
- HR Manager
- Legal representatives with banking powers
- Functions involved in the management of the services in accordance with the Service Contract.

## 7.2 GENERAL PRINCIPLES OF CONDUCT

Preliminarily, with specific reference to criminal association crimes, a careful risk analysis led to the conclusion that they could be committed almost exclusively to commit crimes that have already been mapped and covered in this Model. Therefore, it will be necessary to refer to the protection systems, rules of conduct and protocols already defined (also by way of reference) in the relating parts of this Special Section. The only exception may relate to the possibility of a tax crime being committed as a criminal association (e.g. fraudulent declaration through the use of invoices or other documents for non-existent operations (art. 2, paragraphs 1 and 2, Legislative Decree 74/2000 ); Fraudulent declaration by other artifices; Unfaithful declaration; Omitted declaration; Non-payment of certified withholding taxes; Non-payment of Value Added Tax). With reference to these crimes, in addition to the rules of conduct and the specific protocols already provided for in this Model, a number of specific rules provided for in this section shall also be applicable.

The directors, managers, employees and collaborators of the Company, limited to their respective obligations envisaged by the organizational and procedural provisions and by

the Code of Ethics, are required to observe the following general principles:

- strict compliance with all internal laws and rules regulating sensitive activities;
- check the integrity and professionalism requirements of commercial/financial partners and suppliers of goods and/or services;
- carry out formal and substantial checks of the company's financial flows;
- check that all the Company's workers are in compliance with the residence permit regulations.

Consequently, it is forbidden:

- to implement such behaviours, considered individually or collectively, as to integrate, directly or indirectly, the types of crime included among those considered above;
- to breach the rules included in the organizational and procedural provisions and in the documentation adopted to implement the reference principles provided for in this Special Section;
- the activities aimed at the Company's tax compliance for the direct taxes (i.e. IRES – Corporate Income Tax, IRAP - Regional Tax on Productive Activities), VAT and withholding taxes shall be managed in accordance with the applicable legislation and the rules included in the Code of Ethics and shall be based on transparency principles;
- for each activity relating to the aforementioned tax compliance, the identification of the person in charge of the process and the persons to whom the related control is entrusted, shall be ensured, observing the segregation of roles. Furthermore, the activities relating to tax compliance shall be performed in such a way as to obtain the traceability of the management of the related process.

### 7.3 PROTOCOLS

The management of the Sensitive Activities envisaged in this Special Section is implemented by a series of principles and rules that find their formulation in the Code of Ethics, to which reference is made for a detailed description.

The company functions identified for this purpose in the *Management of New Resources* procedure ensure that the employees who work in the Company comply with the Italian legislation as concerns the residence permit and that art. 12, paragraph 3-bis of Legislative Decree 286/1998 on illegal immigration is not violated. The Board of Directors, the function manager involved in the recruitment and the HR Manager also verify the compliance with the prohibition regarding the exploitation of workers pursuant to art. 603-bis of the Italian Criminal Code.

The hiring of employees shall take place in accordance with the aforementioned *Management of New Resources* procedure, available on the Company's intranet site.

The selection of suppliers and the relationships with third parties (including suppliers, consultants, banks and financial institutions, including the foreign ones) shall be carried out/managed with transparency, complying with the company policies and the Code of Ethics, with particular attention to subjects who can be considered at risk by type of activity, country of origin (information also available through dedicated databases), degree of transparency and other elements.

### 7.4 VERIFICATIONS OF THE SUPERVISORY BODY

The Supervisory Body carries out periodic checks, including spot checks, on the operations related to the Sensitive Activities concerning the crimes referred to in this Special Section.

Inspections are aimed at verifying the compliance of the activities with the principles expressed in this document (existence and adequacy of the power of attorney, compliance with the provisions set out in the procedures, etc.) and, in particular, in the existing organizational and procedural provisions.

The power of the Supervisory Body to carry out specific checks in the event of any reports received remains unchanged.

For this purpose, the Supervisory Body is guaranteed free access - in compliance with current legislation, for example as for privacy - to all company documentation relating to Sensitive Activities.

The SB shall also cooperate with the competent functions, and in particular with the Vice President Finance & Legal, to verify a number of specific profiles relating to financial flows, tax compliance and relationships with banks, including the foreign ones, as well as to intergroup purchases/sales; extraordinary intergroup transactions; intergroup investments and loans, payments made to countries outside the EC or belonging to the *black list*.

An updated list of any non-EU workers working for the Company shall be sent to the SB every six months, indicating the relative residence permit and expiry date.

In the event of inspections, a copy of the report shall be sent to the SB within the following 24 hours.

## 8. CRIME OF EMPLOYING ILLEGALLY-RESIDENT THIRD COUNTRY NATIONALS (ART. 25 DUODECIES, LEGISLATIVE DECREE 231/01)

### 8.1 SENSITIVE ACTIVITIES AND RISK ASSESSMENT

With reference to the crime of employing illegally resident third-country nationals, the main sensitive activities refer to the selection, hiring, management and assessment of personnel.

The functions involved in the aforementioned processes are:

- Chairman of the Board of Directors/CEO;
- HR Manager;
- Functions involved in the selection process;
- Employees who perform HR services in accordance with the Service Contract.

### 8.2 GENERAL PRINCIPLES OF CONDUCT

The HR Manager, the Chairman of the Board of Directors, the directors, managers, employees and collaborators of the Company, limited to their respective obligations envisaged by the organizational and procedural provisions and by the Code of Ethics, are required to observe the following general principles:

- strict compliance with all internal laws and rules regulating sensitive activities;
- strict observance of the responsibilities defined for all activities having an impact on sensitive activities;
- in the selection of new personnel, and in compliance with the *Management of New Resources* procedure, carry out checks aimed at ensuring that the candidate, in the event of a foreign citizen, is in possession of the valid documentation required by

current legislation on immigration (e.g. residence permit, work permit, etc.);

- carry out periodic checks aimed at ensuring that the residence permits of foreign workers employed by the Company are not expired or have not been revoked or cancelled;
- observe the policies, responsibilities and rules of conduct within which the process of selecting and hiring personnel shall be implemented and developed.

Consequently, it is forbidden:

- to implement such behaviours, considered individually or collectively, as to integrate, directly or indirectly, the types of crime included among those considered above;
- to breach the rules contained in the organizational and procedural provisions and in the documentation adopted to implement the reference principles provided for in this Special Section;
- employ and/or hire foreign workers without a residence permit or whose permit has been revoked/cancelled or has expired and for which renewal has not been requested in accordance with the current legislation.

### 8.3 PROTOCOLS

The operating procedures for the management of some of the Sensitive Activities envisaged in this Special Section (including the management of the relevant documentation) are currently regulated by the Code of Ethics and also by the *Management of New Resources Procedure*.

The aforementioned procedure shall be brought to the attention of all concerned parties,





## Organisation, Management and Control Model

employees and other external subjects who operate on behalf of PQE, also through publication on the Company's internet and intranet.

### 8.4 COMMUNICATIONS TO THE SUPERVISORY BODY

Through the proper dedicated channels :

- anyone who becomes aware of violations of the Organization Model or the Code of Ethics or of dangerous situations or anomalies shall immediately report them to the SB;
- anyone who becomes aware of violations of internal procedures shall immediately report them to the SB.

### III - CONCLUSIONS

The examination of the activities the Company plans to perform led to the exclusion of the concrete probability of committing the following crimes:

- Forgery of money;
- Female genital mutilation practices;
- Crimes against the individual, such as reduction or maintenance of a person in a state of slavery or servitude, trafficking in persons
- Pornography involving minors or virtual pornography;
- Tourist initiatives aimed at exploiting child prostitution;
- Crimes for the purposes of terrorism or subversion of democracy;
- Crimes against the environment;
- Crimes against industry and trade;
- Criminal mafia-type association;
- Crime of racism and xenophobia, also considering the provisions included in the Code of Ethics.

Reggello,

May 30, 2018

(Chief Executive Officer)

Gilda D'Incerti

A handwritten signature in blue ink, appearing to read 'Gilda D'Incerti', with a long horizontal flourish extending to the right.