



***“Organisation, Management and Control Model  
pursuant to Legislative Decree 231 of 8 June 2001”***

**Spartan Hive S.p.A.  
Abstract**

Approved by the Board of Directors of  
Spartan Hive S.p.A. on 21 July 2020 and updated on 5 march 2021

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## DEFINITIONS

<b>“NCLA”</b>	The National Collective Labour Agreement.
<b>“Cementir Holding”</b> or also the <b>“Parent Company”</b>	Cementir Holding N.V.
<b>“Code of Ethics”</b>	The Code of Ethics issued by the Parent Company Cementir Holding N.V., which applies in full to the Company as part of Cementir Group.
<b>“Consultants”</b>	Persons acting in the name and/or on behalf of Spartan Hive pursuant to a mandate or other collaboration agreement.
<b>“Decree”</b>	Legislative Decree 231 of 8 June 2001.
<b>“Addressees”</b>	All persons to whom the Model is addressed and in particular: corporate bodies and their members, employees and collaborators (including interim workers and project-based workers), consultants, contractors, partners and members of the Supervisory Body, insofar as not members of the above categories.
<b>“Group”</b>	Cementir Group.
<b>“Model”</b>	The organisation, management and control model pursuant to the Decree, adopted by Spartan Hive and represented by this document and its attachments, which constitute an integral part.
<b>“Management Body”</b>	The Company’s Board of Directors.
<b>“Supervisory Body”</b> or <b>“Body”</b>	The Supervisory Body prescribed by Legislative Decree 231/2001.
<b>“Sensitive Process”</b>	All the corporate activities and operations organised in order to pursue a certain purpose or manage a certain corporate context within Spartan Hive, in areas where there is a potential risk of perpetration of one or more offences provided for by the Decree, as listed in the Special Parts of the Model, indicated generally and collectively as area/s at risk.
<b>“Offences”</b>	The forms of offences envisaged by the Decree.
<b>“Company”</b> or also <b>“Spartan Hive”</b>	Spartan Hive S.p.A.

## GENERAL PART

## 1. ITALIAN LEGISLATIVE DECREE 231/2001 AND RELEVANT LEGISLATION

### 1.1. THE SYSTEM OF ADMINISTRATIVE LIABILITY ESTABLISHED FOR LEGAL ENTITIES

Legislative Decree 231 of 8 June 2001, containing the “Rules governing the administrative liability of legal entities, companies and associations including those without legal personality” (hereinafter also referred to as the “Decree” or “Legislative Decree 231/2001”), which entered into force on 4 July 2001 in implementation of Article 11 of Delegated Law 300 of 29 September 2000, introduced to the Italian legal system, in accordance with EU provisions, the administrative liability of entities, meaning commercial companies, joint-stock companies, partnerships and associations, including those without legal personality.

The Decree introduced to the Italian legal order a system of administrative liability (essentially equivalent to criminal liability) for companies and associations with or without legal personality (hereinafter termed as “entities”), for a number of offences committed in their interest or to their advantage, by:

- natural persons acting in a representative, administrative or management capacity for the entities or for one of their organisational units with financial and functional independence, as well as natural persons who exercise, even on a *de facto* basis, management and control of the entities;
- natural persons subject to the direction and supervision of the aforesaid persons.

The administrative liability of the legal entity is additional to the (criminal) liability of the natural person who physically committed the offence, and both are subject to assessment during the same proceedings before the criminal court. However, the liability of the entity remains even if the natural person who committed the offence has not been identified or does not prove punishable.

In addition to the requirements described above, the Decree also requires that the entity is found guilty, in order for its liability to be affirmed. This requirement is the result of a “failure of organisation”, meaning failure on the part of the entity to adopt suitable preventive measures to prevent perpetration of the offences set forth in the paragraph below, by the persons expressly identified by the Decree. If the entity is able to prove that it adopted and effectively implemented an organisation capable of preventing perpetration of these offences, through adoption of the Organisational and Control Model provided for by the Decree, it shall not be subject to administrative liability.

The offences, of which the commission gives rise to administrative liability for the entity, are those expressly and mandatorily referred to in Legislative Decree 231/2001 and subsequent amendments and supplements.

The liability established by the Decree also includes offences committed abroad, according to the conditions specified below, provided that prosecution is not brought by the State in which the offence was committed.

Below are listed the crimes that, at present, are included in the scope of application of the Decree:

- i) offences against the Public Administration (Article 24 and 25 Legislative Decree 231/2001);
- ii) computer crime and illegal processing of data (Article 24-*bis* Legislative Decree 231/2001);
- iii) organised crime offences (Article 24-*ter* Legislative Decree 231/2001);

- iv) crimes pertaining to forgery of money, public credit instruments, revenue stamps and distinctive signs and instruments (Article 25-*bis* Legislative Decree 231/2001);
- v) crimes against industry and commerce (Article 25-*bis*.1. Legislative Decree 231/2001);
- vi) corporate crimes (Article 25-*ter* Legislative Decree 231/2001);
- vii) crimes of terrorism or subversion of democratic order (Article 25-*quater* Legislative Decree 231/2001);
- viii) female genital mutilation (Article 25-*quater*.1. Legislative Decree 231/2001);
- ix) crimes against the individual in matters of child protection and enslavement (Article 25-*quinquies* Legislative Decree 231/2001);
- x) crimes and administrative offences of market abuse (Article 25-*sexies* Legislative Decree 231/2001);
- xi) manslaughter or serious or very serious personal injury through negligence, committed in breach of the rules on accident prevention and occupational health and safety (Article 25-*septies* Legislative Decree 231/2001);
- xii) crimes of receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering (Article 25-*octies* Legislative Decree 231/2001);
- xiii) crimes relating to copyright infringement (Article 25-*novies* Legislative Decree 231/2001);
- xiv) inducement to refrain from making statements or to make false statements to the legal authorities (Article 25-*decies* Legislative Decree 231/2001);
- xv) environmental crimes (Article 25-*undecies* Legislative Decree 231/2001);
- xvi) transnational crimes (Article 10 Law 146/2006);
- xvii) employment of illegally staying third-country nationals (Article 25-*duodecies* Legislative Decree 231/2001).
- xviii) crimes of racism and xenophobia (Article 25-*terdecies* of Legislative Decree 231/2001);
- xix) crimes in relation to fraud in sporting competitions, abusive gambling or betting carried out by means of prohibited devices (Article 25-*quaterdecies* Legislative Decree 231/2001);
- xx) tax crimes (Article 25-*quinquiesdecies* Legislative Decree 231/2001);
- xxi) contraband (Article 25- *sexiesdecies* Legislative Decree 231/2001).

**(Omissis)**

With regard to the other types of offences, the Company has adopted organisational and procedural oversight mechanisms designed to ensure correct performance of corporate activities, which are also theoretically capable of minimising the risk of perpetration of these offences, in this regard referring firstly to the principles set forth in the Code of Ethics, and then to the provisions contained in the procedures laid down with specific regard to prevention of the offences indicated in the Special Parts of the Model.

For a description of the types of offence covered by the Decree, reference should be made to the attachment to the Model (List of Offences).

## **1.2. PENALTIES**

The penalties established by the Decree for administrative offences entailed by criminal acts are:

- financial penalties;
- prohibitory penalties;
- confiscation;
- publication of judgment.

Prohibitory penalties, lasting no less than three months and no more than two years, concern the specific activity to which the entity's offence refers and consists of:

- prohibition from exercising the activity;
- the prohibition on contracting with the public administration, except to obtain provision of a public service;
- suspension or revocation of authorisations, licences or concessions that may be used to perpetrate the offence;
- exclusion from benefits, financing, contributions and grants and revocation of those previously provided;
- prohibition on publicising goods or services.

Prohibitory penalties are only applied in the cases specifically set out in the Decree if at least one of the following conditions apply:

- 1) the entity has obtained a considerable profit as a consequence of the offence and the offence has been committed by either:
  - senior managers;
  - individuals under the direction or supervision of others if the offence has been determined or facilitated by serious organisational weaknesses;
- 2) in the case of repeated offences.

The nature and duration of prohibitory penalties are established by the court considering the seriousness of the fact, the degree of liability of the entity as well as the actions taken by the entity to eliminate or mitigate the consequences of the act and to prevent perpetration of further offences. Instead of applying the penalty, the court may order that the entity's activity is continued by a court-appointed administrator for a period equivalent to the duration of the prohibitory penalty that would have been applied, if at least one of the following conditions applies:

- a. the entity performs a public service or an essential public service, whose suspension may cause grave harm to the community;
- b. the suspension of the entity's activities may have serious repercussions on employment, taking into consideration its size and the economic conditions of the area in which it is located.

Prohibitory penalties can be applied to the entity as a precautionary measure when there is serious evidence to suggest the existence of liability for the entity in perpetration of the offence and there are established and specific elements to suggest a real danger of perpetration of offences of the same kind as the one for which prosecution has been filed (Article 45). Even in this case, instead of applying the precautionary prohibitory measure, the court may appoint a judicial administrator.

Failure to observe prohibitory penalties constitutes an independent offence envisaged by the Decree (Article 23).

Financial penalties, applicable to all offences, are determined through a system based on "units" of a number no lower than one hundred and no higher than one thousand and of an amount ranging between a minimum of EUR 258.23 and a maximum of EUR 1,549.37.

The court determines the number of quotas by considering the seriousness of the fact, the degree of liability of the entity, as well as the actions taken to eliminate or mitigate the consequences of the act and to prevent perpetration of further offences. The amount of the quota is established on the basis of the entity's economic and financial conditions, in order to ensure the penalty is effective (Article 11 of the Decree).

In addition to the above sanctions, the Decree provides for the confiscation of the offence proceeds or profits, which may involve assets or other properties of equivalent value, and for the publication of the judgment when a prohibitory penalty is ordered.



### **1.3. CRIMES ATTEMPTED AND CRIMES COMMITTED ABROAD**

Pursuant to the Decree, the entity shall also be liable for offences arising from crimes committed or attempted abroad.

The conditions forming the basis for the entity's liability for crimes committed abroad are as follows:

- a) the offence must be committed abroad by a party that is functionally linked to the entity, pursuant to Article 5, paragraph 1, of the Decree;
- b) the entity must have its head office in the territory of the Italian State;
- c) the entity may be liable only in the cases and conditions envisaged in Articles 7, 8, 9 and 10 of the Criminal Code.

If the circumstances and the conditions set forth in the aforesaid articles of the Criminal Code exist, the entity shall be liable provided that the State in which the act was committed does not prosecute. In the event of commission in the form of attempt to perpetrate the crimes indicated in Chapter I of the Decree (Articles 24 to 25-*quinquies*), the financial and prohibitory penalties are reduced by one third to a half, while the application of penalties is excluded if the entity voluntarily prevents the action from being executed or the event from happening. In this case, exclusion of the penalties is justified by the interruption of any relationship of identification between the entity and the persons claiming to act in its name and on its behalf. This is a particular case of so-called "active withdrawal", envisaged by Article 56, paragraph 4, of the Criminal Code.

According to the provisions of Article 4 of the Decree, an entity whose head office is in Italy may be liable for offences, envisaged by the Decree, that have been committed abroad, so as to ensure that frequently occurring criminal conduct does not go unpunished, and to avoid easy avoidance of the entire legislation system under review.

### **1.4. PROCEEDINGS TO ASCERTAIN THE OFFENCE AND COURT REVIEW OF SUITABILITY**

The liability for an administrative offence arising from a criminal act is ascertained in criminal proceedings.

Another rule established by the Decree, based on grounds of effectiveness, uniformity and procedural economy, is the rule according to which proceedings must be joined: the proceedings against the entity must be joined, as far as possible, to the criminal proceedings brought against the natural person who perpetrated the predicate offence giving rise to the entity's liability.

Ascertainment of the company's liability, which is assigned to the criminal court, occurs through:

- verification of the existence of the predicate offence giving rise to the company's liability;
- ascertainment of existence of an interest or advantage for the entity in perpetration of the offence by its employee or senior manager;
- review of suitability of the organisational models adopted.

The court's review of the theoretical suitability of the organisational model for preventing the offences set forth in the Decree is conducted according to a "posthumous prognosis" principle. The review of suitability is therefore formulated on an essentially *ex ante* basis, by which the court ideally places itself in the situation of the company at the time the offence occurred in order to test the coherence of the model adopted.

## 1.5. ACTIONS PROVIDING EXEMPTION FROM ADMINISTRATIVE LIABILITY

Having introduced administrative liability for the entity, Article 6 Legislative Decree 231/2001 establishes that it shall not be liable for administrative action if it proves that:

- the management body adopted and effectively applied, before the offence was committed, Organisation and Control Models capable of preventing offences of the kind that occurred;
- the duty of overseeing the functioning, effectiveness and observance of the Models and ensuring their update was entrusted to a body within the entity with independent powers of initiative and supervision;
- the persons committed the offence by fraudulently evading the Organisation, Management and Control Models;
- the body did not fail to discharge, or inadequately discharged, its duty.

Adoption of the Organisational and Control Model (hereinafter referred to as the “Model”) therefore allows the entity to avoid the charge of administrative liability. However, the mere adoption of this document by the entity’s Management Body, to be identified in the Board of Directors, does appear sufficient to exclude this liability outright, as it is necessary that the model is both efficient and effective.

In the event of crimes committed by parties subject to the management or supervision of others, the exemption is obtained in a more direct manner. The entity must simply prove that the crime was not enabled by the failure to comply with management or supervisory obligations.

This non-compliance is, in any case, excluded if the entity has adopted and effectively implemented, before the offence was committed, organisation and management models that are appropriate for preventing crimes of the type that occurred.

With regard to the model’s efficiency, the Decree requires that it:

- identifies the activities where the offences may be committed;
- sets out specific protocols aimed to plan the formation and implementation of the entity’s decisions concerning the offences to be prevented;
- identifies procedures for managing financial resources capable of preventing perpetration of the offences;
- establishes reporting obligations towards the body entrusted with overseeing the functioning and observance of the model.
- With regard to the model’s effectiveness, the Decree requires:
  - periodic review and, if significant breaches of the model’s provisions are found, or if changes occur in the entity’s organisation or activity, or in legislation, amendment of the model;
  - adoption of a suitable disciplinary system to punish failure to observe the model’s provisions.

## 2. CONFINDUSTRIA GUIDELINES

This Model was drawn up on the basis of the Confindustria Guidelines approved by the Ministry of Justice with Ministerial Decree of 4 December 2003. Subsequent updates, published on 24 May 2004 and 31 March 2008 and 21 July 2014, were approved by the Ministry of Justice which considered those Guidelines to be suitable for achieving the purposes set forth in the Decree.

The method indicated by the Guidelines for drawing up the Model can be summarised in the following essential points:

- ✓ identification of the areas at risk, in order to establish the corporate areas/sectors in which offences may be committed;
- ✓ documented map of the potential ways in which offences can be committed in areas at risk;
- ✓ preparation of a control system capable of reducing the risks through adoption of special protocols.

The most important components of the preventive control system conceived by Confindustria, which must be implemented at corporate level to guarantee the model's effectiveness, are:

- adoption of a Code of Ethics;
- an organisation system that is sufficiently formal and clear with specific regard to assignment of responsibilities, hierarchical reporting lines and description of duties;
- manual and/or computerised procedures that regulate activities and provide appropriate controls;
- signatory and authorisation powers assigned in accordance with established organisational and operational responsibilities, including, where necessary, an indication of spending approval limits;
- management control systems capable of providing timely warning of emergence of general and/or specific problem areas;
- personnel communication and education.

In its Guidelines, Confindustria also specifies that the components of the control system must be based on the following principles:

- each transaction must be verifiable, documented, logical and congruous;
- application of the principle of separation of functions and segregation of duties (no one may autonomously manage an entire process);
- documentation of controls relating to the execution and results of controls, including supervision;
- identification of the body entrusted with supervisory activities, whose main requirements are:
  - autonomy and independence;
  - professionalism;
  - continuity of action;
- duty of the company's functions, and in particular those identified as being most "at risk", to supply the information to the Supervisory Body, both on a systematic basis and for the purpose of notifying anomalies or atypical features in the available documentation (in this latter case, the duty is extended to all employees without regard to hierarchical reporting lines).

In drawing up its Model, Spartan Hive took into consideration the recommendations contained in the Guidelines provided by Confindustria.

### **3. ADOPTION OF AN ORGANISATION, MANAGEMENT AND CONTROL MODEL BY SPARTAN HIVE S.P.A.**

#### **3.1. THE COMPANY. OBJECTIVES AND MISSION**

Spartan Hive is the Group company that manages the purchase and sale on international markets of clinker, cement, spare parts, petcoke, coal and other building materials for the Group and third-party customers.

Established with the aim of optimising the purchase of fuels and the use of the production capacity of the Group's plants, over the years the Company has also extended its activity to external customers and has expanded the range of products and services offered.

Spartan Hive's mission is to meet the needs of the cement industry by offering the highest standards of quality and service. Efficiency, expertise and daily support are the basis of the organisation, constantly committed to optimising the Group's global resources.

The Company is wholly owned by Aalborg Portland Holding A/S, a Group company indirectly controlled by Cementir Holding.

#### **3.2. LEGAL AND GOVERNANCE STRUCTURE**

The governance of Spartan Hive is structured as follows:

❖ *Board of Directors*, responsible for the comprehensive management of the Company and composed of the Chairman of the Board of Directors, the Deputy Chairman, the Chief Executive Officer and three other Directors.

The Board of Directors exercises the function of strategic supervision, while the Chief Executive Officer handles the Company's operational management.

❖ *Board of Statutory Auditors*, monitors compliance with the law and the Articles of Association as well as with the principles of correct administration in the conduct of corporate activities and the effectiveness of the internal control system;

❖ *External Auditors*: the statutory audit assignment is carried out by the expressly appointed company.

The Parent Company has established an Internal Audit Function that performs auditing activities for all the companies of the Group. The function is responsible for verifying effective compliance with the internal procedures, both operating and administrative, adopted in order to guarantee sound management of the Company and to identify, prevent and manage, as far as possible, financial and operational risks, as well as risks of fraud to the detriment of Group companies. The Internal Audit Function reports on its work to the Group Chairman and the Parent Company's Audit Committee.

Certain staff and business support activities are provided to the Company through service contracts with Group companies (Cementir Holding, Aalborg Portland Digital s.r.l.).

### 3.3. ORGANISATIONAL STRUCTURE

(Omissis)

### 3.4. PURPOSE OF THE MODEL

Spartan Hive is aware of the need to ensure conditions of fairness and transparency in the conduct of business and related corporate activities, to protect its image and reputation, its shareholders' expectations and the work of its employees, and is also conscious of the importance of having a Model capable of preventing the commission of unlawful conduct on the part of its directors, employees and collaborators.

Although the Decree imposes no obligation to adopt a Model, leaving such option to the discretion of each entity, the Company has decided to comply with the requirements of the Decree by launching an analysis of its organisational, management and control instruments, with a view to verifying whether or not currently prevailing principles of conduct and control mechanisms are suited to the pursuit of the same goals contemplated in the Decree, finetuning and updating the existing system, as required. This initiative, together with the observance and application of the Code of Ethics, was undertaken in the belief that, over and above the provisions of the Decree, which specify that the Model is optional rather than mandatory, the adoption of this Model can constitute a valid tool for raising the awareness of all the Company's employees and all its other stakeholders (directors, customers, suppliers, partners, and collaborators in various capacities), to ensure that in carrying out their activities, they engage in correct and consistent conduct capable of preventing the risk of perpetration of the offences envisaged in the Decree.

The Model's provisions are addressed to the corporate bodies, employees and collaborators (including interim workers and project-based workers) of Spartan Hive, as well as the consultants, contractors, partners, and third parties with which the Company has various forms of relationships and all persons who operate in the name and on behalf of the Company.

The persons to whom the Model is addressed are obliged to ensure precise compliance with all its provisions, also in fulfilment of the duties of loyalty, fairness and diligence arising from the legal relations established with the Company. The Company condemns any conduct that is not consistent, not only with the law, but also with the Model's provisions, even if the conduct has been implemented in the interest of the Company or with the intention of producing an advantage for it.

The Model is based on a structured and functional system of procedures and control activities which:

- identify the areas/processes of possible risk in corporate activity, that is, those activities where there is believed to be the highest possibility of perpetration of offences;
- define the internal regulatory system, designed to prevent offences, which includes:
  - the Code of Ethics, which states the commitments and ethical responsibilities in the conduct of business and corporate activities undertaken by the Company's employees, directors and various types of collaborators and applicable to the other addressees specified in the Code of Ethics;
  - the system of delegations, signature powers and powers of attorney for the signing of corporate deeds which ensures clear and transparent representation of the process of formation and implementation of decisions;
  - formal procedures to govern the operating procedures in the areas at risk;
- are based on an organisational structure that is consistent with the corporate activities, designed to encourage and monitor the integrity of conduct, guaranteeing a clear and

systematic assignment of duties, applying appropriate segregation of functions, ensuring the order prescribed by the organisational structure is effectively implemented, through:

- an organisation chart that is formally defined, clear and appropriate to the activity to be performed;
- a system of delegations of internal activities and powers of attorney to represent the Company to the outside world which ensures clear and consistent segregation of functions;
- identify the processes for managing and controlling financial resources in the activities at risk;
- assign the Supervisory Body the duty of monitoring the functioning and observance of the Model and proposing its update.

Hence the objectives of the Model are to:

- improve the existing internal control and corporate governance system;
- prepare a structured and functional prevention and control system designed to reduce the risk of perpetration of offences associated with corporate activity with particular regard to the reduction of any unlawful conduct;
- create, in all those who operate in the name and on behalf of the Company in “areas of at-risk activities”, an awareness that by breaching the provisions hereof they might cause an offence implying criminal or administrative sanctions, not only against them but also against the Company;
- inform all those operating in any capacity in the name, on behalf or in the interest of Spartan Hive, that breach of the provisions contained in the Model shall lead to application of appropriate penalties;
- emphasis that Spartan Hive shall not tolerate unlawful conduct, and that the purpose pursued or the erroneous belief of acting in the interest or to the benefit of the Company shall be of no relevance, as such conduct is in any case contrary to the ethical principles to which the Company and Group intend to comply and therefore in contrast with their interest;
- effectively reprimand conduct implemented in breach of the Model through application of disciplinary and/or contractual penalties;
- allow the Company, thanks to the monitoring of the areas of activity at risk, to take timely action to prevent or hinder perpetration of the offences.

### **3.5. MODEL PREPARATION PROCESS**

The preparation of this Model was preceded by a series of activities, divided into different phases, for the construction of a system of risk prevention and management, which are described below.

#### 1) Mapping of activities at risk

The aim of this phase was to analyse the corporate context, in order to map all the Company's activities and, among these, identify the processes and activities in which the offences envisaged by the Decree could theoretically be perpetrated.

Corporate activities and risk activities and processes were identified by prior reviewing corporate documentation (organisational charts, key/core processes, powers of attorney, organisational instructions etc.), and subsequently carrying out a series of interviews with the key persons of the corporate structure. In particular, an analysis was carried out of the at-risk activities relating to the offences defined in Legislative Decree 231/2001, highlighting those particularly relevant for purposes of Legislative Decree 231/2001. The result of this activity was set forth in a document containing the map of all of the Company's activities, with indication of those at risk.

An analysis of the possible ways of committing the offences of death and injury caused by negligence with breach of the industrial health and safety protection obligations, was conducted also taking into

account the assessment of industrial risks carried out according to the criteria established by Legislative Decree 81/08, also consider the UNI-INAIL Guidelines for an industrial health and safety management system dated 28 September 2001.

## 2) Analysis of potential risks

With regard to the mapping of the activities, conducted on the basis of the specific context in which the Company operates and to the related representation of the sensitive or at-risk processes/activities, the offences that could potentially be perpetrated within the scope of corporate activity were identified and for each offence the possible opportunities, objectives and methods of committing the unlawful conduct were identified.

## 3) “As-is analysis”

After having identified the potential risks, an analysis was conducted on the system of preventive controls existing in the processes/activities at risk, in order to assess whether it is suitable for the purpose of preventing the risks of offence.

This phase therefore entailed observing the internal control mechanisms currently in place (formal procedures and/or practices adopted, verifiability, documentability or “traceability” of the transactions and controls, separation or segregation of functions, etc.) based on the information provided by the corporate structures and analysis of the documentation supplied.

With regard to the risk of possible breaches of industrial health and safety legislation, the analysis in question must take into account the current preventive legislation and specifically Legislative Decree 81/08 and the UNI-INAIL Guidelines for an industrial health and safety management system dated 28 September 2001.

Accident prevention regulations not only outline the potentially relevant risks, but also lay down a set of formalities with the employer is obliged to comply. The effective adoption and implementation of said oversight system was integrated, for the purposes of this Model, in order to minimise the risk of engagement in conduct constituting offences of causing death or injury through negligence committed through breach of preventive regulations.

## 4) “Gap analysis”

On the basis of the results obtained in the previous phase and of comparison with a theoretical reference model (consistent with the Decree, the Confindustria Guidelines and with national and international best practices), the Company identified a series of areas for integrating and/or improving the control system, in the light of which the appropriate actions to be taken were defined. With regard to the areas at risk identified above, interviews were then conducted with the heads of the structures concerned, with the twofold objective of substantiating and providing a clearer definition of the activities at risk and analysing the existing preventive control system, in order to identify, if necessary, the appropriate improvements to be taken. The output of the risk assessment process, the details of the types of controls investigated and the results of the gap analysis can be found in the appropriate fact sheets, in their most updated version, available in the Company’s archives.

Activities 3 and 4 were carried out through analysis of the following components of the preventive control system:

- a) organisational system;
- b) operating procedures;
- c) authorisation system;
- d) management control system;
- e) documentation monitoring and management system;
- f) formal ethical principles;
- g) disciplinary system;
- h) personnel information and education;
- i) activities carried out through external companies.

In particular, the analysis and assessment of these components was conducted as follows:

a) Organisational system

The adequacy of the organisational system was assessed on the basis of the following criteria:

- formalisation of the system;
- clear definition of the responsibilities attributed and the reporting lines;
- existence of segregation and juxtaposition of functions;
- correspondence between the activities actually performed and those required by missions and responsibilities as described in the Company's organisational chart;
- existence of behavioural guidelines (for example, the Code of Ethics);
- training and information activities provided;
- procedures for managing relations with external parties;
- procedures for managing relations with other Group companies.

b) Operating procedures

Attention focused on verifying the existence of formal procedures for regulating the activities performed by the structures in the areas at risk, taking into account not only the contracting phases, but also those concerning the formation of corporate decisions.

c) Authorisation system

The analysis concerned the existence of authorisation and signature powers consistent with the organisational and management responsibilities assigned and/or actually performed. Assessment was conducted on the basis of an examination of the powers of attorney issued and of the internal delegations of management powers, in light of the company organisation chart.

d) Management control system

This area concerned analysis of the management control system currently in place in Spartan Hive, the persons involved in the process and the system's capacity to provide timely notice of the existence and emergence of general and/or specific problem areas.

e) Monitoring and management of documents

The analysis was designed to determine whether there was a suitable system for continuous monitoring of the processes for the review of results and of any situations of non-compliance, and whether there was a suitable system for the management of documents, such as to allow the traceability of operations.

f) Formal ethical principles

With regard to the additional at-risk activities envisaged in the Decree by the legislature, the content of the Code of Ethics was reviewed, as it is an integral part of the Model.

g) Disciplinary system

The analysis conducted aimed to check the adequacy of the disciplinary system currently in force (described later), designed to punish any breach of the principles and provisions for preventing the perpetration of offences, both by employees of the Company – executives and non-executives – and by directors, auditors and external collaborators.

h) Personnel information and education

The checks aimed to ascertain the existence of forms of communication and education for personnel. Considering the need for initiatives designed to enforce the Decree, the Company implements a



specific plan to provide information on the Code of Ethics and the Model and consequent ad hoc personnel education.

i) Activities carried out through external companies

The reviews on the control system also concerned the activities carried out by external companies and/or companies belonging to the Group.

These checks were conducted on the basis of the following criteria:

- formalisation of services provided in specific service contracts;
- provision of suitable mechanisms to check the activity actually performed by the appointed companies on the basis of contractually defined services;
- existence of formal procedures / corporate guidelines for definition of service contracts and implementation of control mechanisms, also with regard to the criteria for determining considerations and the procedures for authorising payments.

### **3.6. STRUCTURE OF THE DOCUMENT**

**(Omissis)**

### 3.7. COMPONENTS OF THE MODEL

With reference to the requirements identified in the Decree, the fundamental areas developed by Spartan Hive in preparing the Model can be summarised as follows:

- ethical principles in relation to conduct that may constitute the types of offences envisaged by the Decree, reflected both in the Code of Ethics and, in greater detail, in this Model;
- map of the at-risk activities;
- procedures relating to processes considered to be at greater risk of offence;
- segregation of duties between the person who performs an activity at operating level, the person who checks it, the person who authorises it and the person who records it;
- *ex-post* traceability and documentability;
- Supervisory Body and assignment of specific duties to monitor the effectiveness and proper functioning of the Model;
- formal organisational system;
- authorisation system: authorisation and signature powers consistent with the organisational and management responsibilities defined;
- internal control system;
- suitable system of penalties to guarantee effective implementation of the Model, containing the disciplinary provisions applicable to the Addressees in the event of failure to comply with the measures set forth in the Model;
- activity of informing, raising awareness and disseminating the Model to its Addressees;
- rules and responsibilities for adoption, implementation and subsequent amendments or integrations of the Model (Model update), and for checking its functioning and effectiveness.

#### System of ethical principles and rules of conduct

The Addressees observe the ethical principles and general rules of conduct in performing their activities and managing relations with colleagues, business partners, customers, suppliers and Public Administration. These rules are set forth in various corporate documents as listed below:

- Code of Ethics;
- Principles and rules of conduct, contained in this Model.

The provisions contained in the Model are integrated with those listed above and are founded on the Model's principles, even though, for the purposes that it intends to pursue in implementing the provisions of the Decree, the Model has a different scope. The general principles and general rules of conduct contained in the Model, therefore, complete the previously existing ethical principles with the specific requirements needed for prevention of perpetration of the relevant offences.

The Code of Ethics, in particular, can be applied by the Company on a general level for the purpose of setting forth "ethical business" principles which the Company acknowledges as its own and which it urges all Addressees to observe. Instead, the Model satisfies the specific requirements laid down by the Decree and aims to prevent commission of specific types of offences which, as seemingly committed in the interest or to the advantage of the Company, may give rise to administrative liability pursuant to the provisions of the Decree.

The documents listed above, which contain the Company's ethical principles, must be promptly updated and completed if new areas of activities or possible problems linked to their effectiveness should arise. The aforesaid documents must be appropriately disseminated to the Addressees, who must also be provided with suitable training that sufficiently explains the content, significance and scope of application of the ethical principles and rules of conduct.

In its Special Parts, this Model indicates, with regard to the Sensitive Processes and with regard to the various types of offences, the specific ethical principles and the documents which contain further applicable rules.

#### Organisational System

The Company's organisational system (organisational structures/positions, missions and areas of responsibility) is defined through the issuing of organisational provisions.

Based on the organisational provisions issued, the organisational chart is formally drawn up, which reflects the contents of the organisational provisions and is disseminated to all of the Company's staff.

The internal regulation is the document which defines the organisational structure and communicates nominations, appointments and assignments of responsibilities. In specific cases, it may contain the assignment and/or description of duties.

#### Authorisation System

The Company's authorisation system has been set up in compliance with the following requirements:

- delegations of powers and powers of attorney combine the power with the related area of responsibility;
- each delegation of powers and power of attorney provides unambiguous definition of the powers of the delegate, specifying limits;
- management powers assigned with the delegations of powers/powers of attorney are consistent with corporate objectives;
- all those whose actions commit the Company towards third parties, and in particular towards Public Administration, must hold a specific delegation of powers and/or formal power of attorney to represent the Company.

#### Internal control system:

The control system is characterised by the following principles and tools, designed to ensure that the corporate activities, especially those entailed in Sensitive Processes, are carried out in compliance with this Model:

- segregation of duties: separation, as far as possible, within each process, between the person taking the decision (decision-making input), the person authorising it, the person executing said decision and the person entrusted with monitoring the process (known as segregation of functions);
- operating procedures: the Company's activities are governed by procedures and policies issued by the Parent Company and, as such, applicable to the Company;
- management control system and specific controls (preventive and *ex-post*), manual or automatic, capable of preventing the commission of offences or detecting and reporting *ex-post* irregularities that could run counter to the purposes of this Model. These controls are more frequent, comprehensive and sophisticated within Sensitive Processes, which are characterised by a higher risk profile of commission of the offences;
- *ex-post* traceability and documentability: the activities carried out within the context of Sensitive Processes, as well as the controls conducted, must be suitably formalised, with particular regard to the documentation drawn up when creating the processes. The documentation produced and/or available on paper or electronic media, is filed in an orderly and systematic manner by the functions/persons involved.

The individual components of the management and control system are formalised in various corporate documents and/or in the Special Part of this Model. In this section, a detailed explanation and description is provided, for each Sensitive Process, of the specific controls applicable to the process, as well as the procedures for execution/application.

Information on the disciplinary system and the personnel training system, of a more general nature and applicable throughout the individual processes, can be found in subsequent chapters of the Model and in the specifically dedicated attachments.

### **3.8. AMENDMENTS AND SUPPLEMENTS TO THE MODEL**

As this Model is a “document issued by the management body” (in compliance with the provisions of Article 6, paragraph 1, letter (a) of the Decree) its adoption, and its subsequent amendments and integrations fall under the authority of the Board of Directors of Spartan Hive.

Amendments or integrations, of a non-substantive nature, to be made to this Mode are the responsibility of the Parent Company’s Legal Function, in coordination with Internal Audit, so that they effectively implemented within the Model.

The Supervisory Body proposes the amendments and integrations to the Model and the appropriate procedures for implementation.

## 4. SUPERVISORY BODY

### 4.1. IDENTIFICATION OF THE SUPERVISORY BODY

Article 6, paragraph 1, of the Decree provides that the function of monitoring and ensuring revision of the Model is entrusted to the Company's Supervisory Body which, having autonomous powers of initiative and supervision, performs the duties assigned on a continuous basis.

In this regard, the Confindustria Guidelines point out that, although the Decree allows the entity to opt for a single-member or multi-member composition, the choice of one or the other must take into account the purposes pursued by the law and therefore ensure the effectiveness of the controls with regard to the entity's size and organisational complexity.

The Confindustria Guidelines also specify that this control body may be made up of personnel from both within or outside the entity, so that its autonomy and independence is guaranteed to the best possible extent.

#### (Omissis)

According to the recommendations of the Confindustria Guidelines, in order to ensure that it can perform its activities as indicated in Articles 6 and 7 of the Decree, the Supervisory Body must have the following characteristics:

- autonomy and independence;
- professionalism;
- continuity of action.

#### **Autonomy and independence**

The requirements of autonomy and independence are fundamental to ensure that the Supervisory Body is not directly involved in the management activities that form the subject of its supervisory activity and is free from any form of interference and/or influence by any member of the Company.

These requirements are met by ensuring that the members of the Supervisory Body include external persons and by guaranteeing the Supervisory Body the highest possible hierarchical level and establishing that it reports to the Company's top management, hence, to the Board of Directors.

#### **Professionalism**

In general, a Supervisory Body must have members with the technical-professional expertise appropriate to the functions it is required to perform and specific experience in the matter of inspection and consulting activity. Combined with independence, these characteristics guarantee objective assessment.

#### **Continuity of action**

In general, a Supervisory Body must:

- work constantly to oversee the Model with the necessary powers of investigation;
- therefore be an internal structure, to ensure continuity of supervision;

- ensure that the Model is implemented and kept updated;
- not perform operating duties which could influence the overall vision of the corporate activities that is required.

The Company's Supervisory Body is supported by the Group's Internal Audit Function to ensure continuity of action in monitoring and inspection of compliance with the Model, with the ability to ensure its implementation and updating and to act at all times as a point of reference for all staff.

Without prejudice to a possible review of the position of the Supervisory Body, also on the basis of the experience of implementation of the Model, the Body's powers may only be revoked for just cause and subject to resolution of the Board of Directors.

#### **4.2. REQUIREMENTS OF MEMBERS OF THE SUPERVISORY BODY**

The following are reasons for ineligibility of members of the Supervisory Body and/or for the suspension or termination of their appointment:

- holding the office of member of the Board of Directors or Chief Executive Officer;
- holding operational responsibilities that would undermine their objective judgement when carrying out checks on conduct and the Model;
- being ineligible or subject to forfeit under Article 2382 of the Italian Civil Code;
- being subject to preventive measures ordered by the legal authorities under Law 1423 of 27 December 1956 or Law 575 of 31 May 1965 as amended, unless rehabilitated;
- have been definitively convicted, unless rehabilitated, of:
  - one of the crimes against the public administration, against public trust, against property, against public order, the public economy, or for a tax crime;
  - one of the crimes listed under heading XI of book V of the Civil Code and Royal Decree 267 of 16 March 1942;
  - any crime involving criminal intent leading to imprisonment for not less than two years.

The Supervisory Body must inform the Board of Directors immediately of all situations that may be significant for the purposes of continuing to meet the aforesaid integrity requirements.

The following constitute grounds for suspension:

- conviction by non-definitive judgment for:
  - one of the crimes against the public administration, against public trust, against property, against public order, the public economy, or for a tax crime;
  - one of the crimes listed under heading XI of book V of the Civil Code and Royal Decree 267 of 16 March 1942;
  - any crime involving criminal intent leading to imprisonment for not less than two years;
- the application, at the request of the parties, of one of the penalties for the crimes referred to in the previous point, with a judgment that is not definitive;

- the provisional application of one of the measures provided for by Article 19, paragraph 3, of Law 575 of 31 May 1965, last replaced by Article 3 of Law 55 of 19 March 1990, as amended;
- the application of a personal protective measure.

The Supervisory Body must promptly inform the Board of Directors of the existence of one of the situations described above.

The Board of Directors may revoke the appointment of a member of the Supervisory Body at any time for just cause, after consulting the Board of Statutory Auditors. Just cause for revocation of membership of the Supervisory Body is understood to mean:

- loss of the requirements of autonomy, independence, professionalism and continuity of action, incompatibility and conflict of interest;
- disqualification or incapacitation, or a serious illness that renders the member unfit to perform their supervisory duties, or a condition that, in any case, results in absence from work for a continuous period of more than six months;
- a serious breach of their duties;
- if the Company has been definitively convicted pursuant to Legislative Decree 231/2001, or criminal proceedings have been settled by plea bargain, where the documents show evidence of non-existent or insufficient supervision by the Supervisory Body, in accordance with the provisions of Article 6, paragraph 1, letter d) of the aforesaid decree;
- a definitive conviction against the member of the Supervisory Body with a penalty that results in disqualification, even temporarily, from public offices, or temporary disqualification from the management of legal entities.

### **4.3. FUNCTIONS AND POWERS OF THE SUPERVISORY BODY**

In accordance with the provisions of Legislative Decree 231/2001, the Supervisory Body has the following responsibilities:

- ensure ongoing and independent surveillance on the regular performance of operations and the compliance of the Company's processes, pursuant to Legislative Decree 231/2001, in order to prevent or detect any anomalous or risky behaviour or situations;
- update the Model, the rules and organisational principles contained or referred to in it, where there is a need to adapt it in view of changed business conditions and/or regulations, including through the involvement of the competent corporate bodies and functions;
- verify the effective ability of the Model to prevent the commission of the crimes envisaged by Legislative Decree 231/2001;
- periodically carry out targeted checks on specific operations performed in sensitive processes;
- order special checks and/or targeted investigations in the event of any malfunction of the Model or the commission of offences that are the subject of prevention activities;
- periodically communicate and report to the Board of Directors and the Board of Statutory Auditors in relation to the activities carried out, the reports received, corrective and improvement measures taken on the Model and their state of implementation;
- access, or order access on its own behalf, to all activities carried out by the Company and the related documentation;
- if significant or potentially significant activities are entrusted to third parties, the Supervisory Body must also have access to the activities carried out by said third parties.

In discharging the aforesaid tasks, the Supervisory Body must:

- verify knowledge and understanding throughout the Company of the principles outlined in the Model;
- approve the annual training plan aimed at cultivating awareness and understanding of the principles outlined in the Code of Ethics;
- set up specific information channels to facilitate the flow of reports and information to the Supervisory Body and periodically assess their adequacy;
- promptly report to the Board of Directors any verified violation of the Model and any information relevant for the purposes of compliance with the provisions of Legislative Decree 231/2001.

The Supervisory Body also offers consultation and recommendations to help the Company develop in ethical terms. Moreover, it has the responsibility to:

- design initiatives appropriate for spreading knowledge of the Code of Ethics and clarifying its meaning and application;
- coordinate the development of the rules and procedures that implement the provisions of the Code of Ethics;
- monitor compliance with and application of the Code of Ethics and activate, through the relevant business functions, any sanctions imposed pursuant to law and employment contracts;
- report periodically to the Board of Directors on the activities carried out as well as on issues connected with the implementation of the Code of Ethics.

For the performance of the above mentioned duties, the Supervisory Body has been assigned the following powers:

- draw up or modify the programme for monitoring the Model, including by expressing an opinion on the relevant areas of the Company's annual audit plan;
- require the Internal Audit Function to carry out the audits deemed necessary both in view of the annual plan and in relation to specific warnings and/or risks;
- to access or allow access on its behalf to any and all company documents relevant for the performance of the functions assigned to the Supervisory Body pursuant to Legislative Decree 231/2001;
- request the execution of the actions necessary to update/adapt the Model;
- perform impromptu and unplanned interventions;
- carry out surprise checks and interviews;
- have autonomous spending powers, which must be used exclusively for expenditure incurred in the performance of its duties;
- retain the services of outside experts, where necessary, to ensure the full and proper discharge of its audit and control functions.

#### **4.4. REPORTING FROM THE SUPERVISORY BODY TO THE CORPORATE BODIES AND TOP MANAGEMENT**

As regards the tasks that it is called upon to perform pursuant to Legislative Decree 231/2001, the Supervisory Body reports to the Board of Directors and Board of Statutory Auditors at least once a year, in relation to:

- activities carried out;



- whistleblowing reports received;
- disciplinary sanctions, if any, imposed by the competent entities;
- the necessary and/or advisable actions to correct and improve the Model and their implementation status.

To guarantee proper and effective reporting and to allow full and proper exercise of its activities, the Supervisory Body also has the possibility of requesting explanation or information directly from persons with the main operating responsibilities.

## **4.5. INFORMATION FLOWS TO THE SUPERVISORY BODY**

### **4.5.1. REPORTS FROM CORPORATE REPRESENTATIVES OR THIRD PARTIES**

Article 6, paragraph 2, (d) of the Decree requires, in general, that the “Organisation Model” provides for disclosure obligations towards the Supervisory Body responsible for monitoring the Model’s functioning and observance.

The obligation of a structured information flow is conceived as a tool to guarantee monitoring of the Model’s efficiency and effectiveness and to establish, after the event, how commission of offences envisaged by the Decree was possible. It also has the purpose of giving extra authority to the requests for documentation that the Supervisory Body is obliged to make during its inspections.

Hence, flows concern all the information and documents that must be brought to the attention of the Supervisory Body, in accordance with the provisions of each document that constitutes the Model.

With reference to the Company’s Model, the Supervisory Body must be provided not only with the documentation set forth in each Special Part of the Model according to the procedures established, but also with any other information, of any kind, even from third parties and pertaining to implementation of the Model in the areas of activity at risk.

#### **(Omissis)**

In carrying out its monitoring and inspection duties, the Supervisory Body may freely access all of Spartan Hive’s information sources, inspect documents and consult data concerning the Company. The Supervisory Body may also ask the independent auditors for information of relevance for the purpose of implementation of the Model gathered during their activity.

The Supervisory Body shall assess reports received and any consequent actions at its own discretion and responsibility, possibly interviewing the person who submitted the report and/or the person responsible for the alleged breach and providing a written statement of reasons for refusals to proceed with an internal investigation.

### **4.5.2. REPORTS OF TRANSACTIONS POTENTIALLY AT RISK**

In order to appropriately record the transactions performed in the areas where there is a risk of commission of the offences set forth in the Special Part, the first levels become internal heads of each individual transaction at risk directly performed by them or implemented as part of the function with which they are entrusted. Specifically, these persons are responsible for bringing the activities potentially at risk to the attention of the Supervisory Body. For this purpose, the Internal Audit Function periodically reports on any communications received.

The contents and procedures of this reporting by the internal heads, as well as their additional obligations and areas of responsibility, are defined in specific paragraphs of the Special Part in which further details can be found.

#### **4.5.3. DISCLOSURE OBLIGATIONS FOR OFFICIAL ACTS**

**(Omissis)**

#### **4.5.4. COLLECTION, PRESERVATION AND ACCESS TO THE SUPERVISORY BODY'S ARCHIVE**

All the information, documentation and reports gathered in performance of institutional duties must be filed and stored by the Supervisory Body, which ensures that the documents and information acquired are treated with the strictest confidentiality, also in compliance with privacy legislation.

**(Omissis)**

## **5. PERSONNEL TRAINING AND DISSEMINATION OF THE MODEL BOTH INSIDE AND OUTSIDE THE COMPANY**

### **5.1. PERSONNEL TRAINING**

In accordance with the provisions of the Decree, Spartan Hive undertakes to define a plan of communication and training aimed at guaranteeing proper dissemination and knowledge of the Model and of the rules of conduct it contains, addressed to resources already employed in the Company and those to be recruited, with a different level of detail according to the varying degree of their involvement in activities at risk.

**(Omissis)**

The periodic communication and education activities provided to personnel are documented by the Supervisory Body.

### **5.2. DISSEMINATION OF THE MODEL BOTH INSIDE AND OUTSIDE THE COMPANY**

Spartan Hive also encourages the knowledge and observance of the Model and of the Code of Ethics on the part the Company's consultants, partners and collaborators (including interim and project-based workers). Information is provided, to the aforesaid persons, through circulation of an official communication on the existence and adoption of the Model and of the Code of Ethics by the Company and through their permanent availability for consultation in the section dedicated to the Company on the Parent Company's website.

Spartan Hive also inserts, on the basis of this Model, special contractual clauses which provide for termination of contractual obligations in the event of inobservance of the ethical principles established.

## **6. DISCIPLINARY SYSTEM AND MEASURES IN THE CASE OF FAILURE TO OBSERVE THE MODEL**

### **6.1. GENERAL PRINCIPLES**

The provision of a suitable system of penalties for breach of the regulations contained in an organisation and control model is an essential condition to ensuring its effectiveness.

In this regard, Article 6, paragraph 2, of the Decree includes, among the components making up the Organisation, Management and Control Model, the adoption by the entity of a suitable disciplinary system to punish failure to comply with the measures set forth in the Model. Accordingly, in order to prevent the perpetration of the offences envisaged by the Decree, the Model must identify and punish conduct which could facilitate commission of such offences.

**(Omissis)**

The following constitute breaches of the Model:

1. conduct which directly or indirectly constitutes the offences envisaged in the Decree;
2. conduct which, while not constituting one of the offences, is unmistakably aimed at committing an offence;
3. conduct which does not comply with the procedures or the provisions set forth in the Model or cited in the Model (Special Part);
4. non-cooperative conduct towards the Supervisory Body consisting of, for example, but not limited to, refusal to supply the information and documentation requested, failure to comply with general and specific directives provided by the Supervisory Body for the purpose of obtaining information considered necessary to fulfilment of its duties, failure to participate with justified reason in the inspections scheduled by the Supervisory Body, and failure to participate in training sessions;
5. breach of reporting obligations to the Supervisory Body.

**(Omissis)**

### **6.2. PENALTIES FOR THE COMPANY'S SUBORDINATE EMPLOYEES**

#### **6.2.1. OFFICE WORKERS AND MANAGERS**

**(Omissis)**

Application of the disciplinary system by the Human Resources Function of Cementir Holding is constantly monitored by the Supervisory Body.

#### **6.2.2. COMPANY EXECUTIVES**

**(Omissis)**

**6.3. MEASURES AGAINST COLLABORATORS, AUDITORS, CONSULTANTS, PARTNERS, COUNTERPARTIES AND OTHER EXTERNAL PARTIES**

**(Omissis)**

**6.4. PENALTY APPLICATION PROCEDURE**

**(Omissis)**

**6.4.1. DISCIPLINARY PROCEDURE FOR EXECUTIVES**

**(Omissis)**

**6.4.2. DISCIPLINARY PROCEDURE FOR EMPLOYEES**

**(Omissis)**

### **6.4.3. PROCEDURE FOR THIRD PARTY ADDRESSEES OF THE MODEL**

**(Omissis)**

**7. ACTIVITY TO MONITOR APPLICATION AND ADEQUACY OF THE MODEL**

**(Omissis)**