CARCANO

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Dear colleagues,

Integrity and ethics are the foundation upon which our company was built. Carcano Antonio S.p.A. has always been a key reference point for the strong connection with the territory, its social role and the sense of responsibility towards the community.

In line with the centuries-old history and looking from a continuous improvement perspective, the Code of Ethics and its joint application represent the bearing structure of our Company and the first step to affirm the principles that have allowed obtaining the reputation and esteem that we enjoy. Today as yesterday, respect and transparency are the wire conductors of our business and must continue to guide us with constant enthusiasm and passion, at this stage of necessary renewal and change.

The Code of Ethics is a commitment and a declaration of responsibility towards ourselves, our employees, customers, suppliers and all third parties that come in daily contact with the company. We take very seriously the trust of every person involved in our activity and, in the future, we will continue to make sure that the standards that made our company a prestigious and reliable market leader are complied with.

I count on the commitment that all colleagues and employees undertake in order to maintain the highest level of ethics and integrity related to business conduct, contributing to the diffusion of the values that are the foundation on which our future shall be built.

The President
Ettore Zelioli

[Signature]
Introduction

Carcano Antonio S.p.A. (hereinafter also the “Company”) is one of the most important European companies in the field of melting, hot and cold lamination of aluminium and flexible packaging with self-production foil (target: confectionery, food, and pharmaceutical industry, etc.). It also operates in the technological areas (in particular, cable shielding, insulation and thermal and acoustic insulation).

The excellence of the product, the quality of manufacturing, the constant attention to social issues and the environment, compliance with the regulations on health and safety and human rights, with particular focus on training and development of our collaborators, are the pillars on which we have built our business, in the perspective of a continuous improvement, optimisation of processes and development in line with the changes of market requirements.

Respect and transparency, values underlying our Code of Ethics, must guide employees in relations with colleagues, customers, suppliers, and the internal and external environment. Each of us, acting in a fair and impartial way, helps ensure the continuity and development that have allowed Carcano to build the reputation and esteem it enjoys today, making it an example of excellence in Italy and Europe.

To share the guidelines of our activity, the company undertakes to disclose the principles of its growth and to further support them, promoting the values contained in the Code of Ethics through two main activities:

- Disclosure of this document to all recipients;
- Internal training properly documented according to specific procedures.
This code is also a valuable comparison tool among colleagues and a support instrument in dealing with special events that may be encountered in everyday life, not only in relations within the company, but also in the relationships with third parties.

In this regard, for each theme addressed, suggestions are provided on how to manage delicate events that could create doubts about the way an employee should act. The goal is to promote uniformity of behaviour and signal ways for addressing situations of indecision.

The Code of Ethics is not only a guide available to all employees and a valid daily comparison tool, but also a material proof of Carcano’s responsibility towards its employees, its customers and its suppliers, a commitment to respect and transparency towards those who contribute to the continuous improvement of our company.

This Code of Ethics is an integral part of the Organisation and Management Model (hereinafter, also the “Model”) of the Company established pursuant to Legislative Decree 231/01.
Scope and implementation

Recipients

This Code of Ethics applies to Carcano Antonio S.p.A. and, therefore, its recipients are:

- *“Senior Executive Subjects”* (e.g.: shareholders, members of statutory bodies, prosecutors, etc.), i.e. natural persons who hold representative, administration or management positions in the Company or one of its units, having financial and functional autonomy, or people who perform, de facto, the management and control activities;

- “Subordinate Subjects”, i.e. natural persons subject to management or supervision by one of the Senior Executive Subjects. In this regard, it should be noted that it is not necessary that the Subordinate Subjects have an employment agreement with the Company. This concept also includes those work providers who, while not being employees, have such a relationship with the Company as to suggest that there is the obligation of supervision by the vertices of the Company (e.g.: agents, partners in the context of Joint Ventures, distributors, suppliers, and consultants).

The *customers* of Carcano Antonio S.p.A. are required to take note of the adoption of the Code of Ethics by the Company and undertake to observe the values therein. Any breach of the principles provided in the Code of Ethics by the customers shall be assessed in order to protect the rights and interests of the Company.

Carcano Antonio S.p.A. undertakes to disseminate the Code of Ethics among all subjects involved (e.g.: initial communication, availability of the Code of Ethics on the website, Intranet and availability of a hard copy posted on the company’s notice board). It also takes the necessary measures to carry out the monitoring activities by providing for sanctions in the event of its violation.
In order to verify the operation and effectiveness of the Model (and its components) adopted for the prevention of crimes covered by such regulations, it establishes a **Supervisory Board**. In general, the requirements provided for the Supervisory Board by Legislative Decree 231/2001 are as follows:

- **Autonomy**;
- **Independence**;
- **Continuity of action**;
- **Professionalism and integrity**.

For the profiles of the SB members, please refer to the General Section of the Organisation and Management Model of Carcano Antonio S.p.A.

A Penalty System is defined, which provides and regulates the consequences arising from the offences and, more generally, from breaching the regulations contained in the Model and in its single components, as well as applying appropriate sanctions.

The parties involved may report to the Supervisory Board, in writing (odv231@partners-carcano.com), any violation, suspicion or violation request of the Model and its components, including the Code of Ethics.

It shall perform an analysis of such reports, ensuring the confidentiality of the parties’ identity, except the cases required by law.

The reports sent in good faith shall not cause adverse effects to the detriment of the informant, even if they result to be unfounded.

The Supervisory Board also undertakes to promptly submit to the Organisational Development Department the reports of the violations related to the Code of Ethics.

The Organization Development Department is responsible for ensuring compliance with the regulations and principles expressed in the Code. The Organization Development Department is responsible for the activities of monitoring and verification of compliance with the Code, as well as for the application of sanctions in case of infringement.

A Penalty System is defined, which provides and regulates the consequences arising, more generally, from breaching the regulations contained in the Model and in its single components, as well as applying appropriate sanctions.

The parties involved may report to the Organization Development Department, in writing (codice.etico@carcano.com), any violation, suspicion or violation request of the Code of Ethics.
It shall perform an analysis of such reports, ensuring the confidentiality of the parties’ identity, except the cases required by law.

The reports sent in good faith shall not cause adverse effects to the detriment of the informant, even if they result to be unfounded.

The Organization Development Department undertakes to submit to the Supervisory Board the violation reports of the Code of Ethics received if they represent an offence pursuant to Legislative Decree 231/01.

Application of the Code of Ethics

Recipients are required to become acquainted with the rules of this Code. They must also explicitly accept their commitments under the Code at the time of establishment of the employment relationship or the business relationship, the first dissemination of the Code and any changes or substantial additions.

In particular, recipients are required to:

• **refrain** from behaviour that is contrary to the rules of the Code of Ethics;
• **report** promptly to the Organisational Development Department and/or to the Supervisory Board any information about possible violations of the Code and any violation request addressed to them;
• **cooperate** with the departments responsible for investigating possible violations.

Information and training

The Code is brought to the attention of all internal and external employees through special activities of information (‘ad hoc’ communications to employees or new employees, etc., presence of a copy of the Code on the company’s notice board, publication on the company Intranet, etc.) and is published on the Company’s website.

In order to ensure a proper understanding of the Code, the Company prepares a periodic plan of communication/training aimed at diffusing awareness of the ethical principles and rules contained in the Code of Ethics.

The communication/training initiatives can be differentiated according to the role and responsibilities of the Recipients.
Carcano Antonio S.p.A. has always been aware of the fundamental importance of the People for the growth and development of the Company. Thus, a key element of its policy is the promotion of a peaceful and motivating working environment, where its employees can grow professionally and personally.

Supporting talent and stimulating employees are the foundations that guarantee innovation and development of the Company and its competitiveness on the market. Only with the knowledge of the value of creativity supported by excellent skills, the Company and the employees can grow together in a synergistic way.

For this purpose, Carcano undertakes to promote the development of its employees' potential and exploit their specific knowledge in order to increase competencies, respecting talent, merit, dedication and commitment.

Aware of the fact it is only in a respectful, motivating and calm environment that a person may feel realised in its work activity and achieve goals, the Company actively seeks to integrate human rights universally recognised within its own structure, by promoting:

- **Equal opportunities** for all employees or candidates, starting with the guarantee that the selection, compensation and training processes, as well as career advancement are accessible to anyone and based solely on merit, knowledge, skills and behaviour;
- **Human and professional diversity**, being aware that the confluence of differences is an added value that can bring new knowledge and new possibilities of access and dialogue in the perspective of cultural, social and working growth;
- **Respect** for people and safeguard of human dignity;
- **Gender diversity**, with the commitment to support equal opportunity policies;
- **Honor Human Rights**.
We are against all forms of discrimination caused by race, colour, social status, gender, marital status, pregnancy, maternity or paternity, trade union membership, religion, political opinion, nationality, disability, health issues, age and any kind of harassment or physical and/or verbal behaviour aimed at undermining the dignity and sensitivity of a person.

All Company employees are hired based on a legal employment contract and no form of illegal work or exploitation of employees is tolerated. Furthermore, the Company does not use minors for job performances and refuses any form of partnership with them. In particular, the Company does not participate in activities that involve direct or indirect use of child labour provided by third parties (e.g. awarding of contracts).

We are also against mobbing, understood as a set of violent behaviour, continued in time and bringing prejudice to personal and professional dignity, as well as to the mental and physical health, held by colleagues or superiors, direct or otherwise, in respect of an employee. The single harassing attitudes may not even reach the level of crime, but on the whole, they produce serious damage with consequences on the victim’s mental health especially and the quality of his/her life.

Social responsibility

Cordiality in human relationships, local rooting and team spirit characterise the productive activity of Carcano. In its prestigious history, the Company has shown a strong connection with the territory and its inhabitants, so that the name Carcano is connected to important social work, of all the Ercole Carcano Foundation, activates since 1957.

At one with its history and its commitment to social issues, the Company strives to be a responsible member of the community, working daily to ensure proper attention to social matters.

We care about the people that help make our Company a viable, competitive, energetic and exemplary reality, from an ethical and social point of view.
A colleague of mine often shows little regard towards a person of a different religion in our team, creating a tense and unpleasant embarrassing environment. How should I behave?

In order to better address a situation like this, it is appropriate to report the incident to the Organisational Development Department or to the Unitary Trade Union Body (RSU) or directly to the General Management. In this way, you will protect personal dignity, team spirit and the ethical values of the company, contributing to make the business environment serene and positive.
Privacy protection is universally recognised as a fundamental right. To ensure the protection of sensitive and personal data, Carcano Antonio S.p.A. manages the application and the constant updating of specific procedures.

By sensitive data we mean any piece of information by which we can identify religious beliefs, philosophic beliefs or others, the health condition, political opinions, adhesion to parties, trade unions, associations or organisations of religious, philosophical, political or trade union character. By personal data we mean, however, any information by which we can identify a person, such as, for example, telephone number, address, date of birth, tax code, e-mail and user ID. For both types of data, the collection, use and storage by authorised collaborators must take place only and exclusively for the purposes indicated by the activity.

The Company protects the confidentiality of all sensitive information and makes sure any improper use is avoided, even through training activities meant to provide appropriate knowledge for those in charge with data processing, on the way of use, consultation, preservation and destruction. Moreover, a regular monitoring of the risks is performed, related to data processing and technical and organisational measures to be dealt with.

The protection of sensitive data entitles the person providing them to control their use and management as a whole, from collection when introduced in the company and until the end of the employment relationship.

In order to protect the privacy of all collaborators, the Company has established a password system for the digital accounts and for e-mails, ensuring the implementation and the correct management of the system in accordance with the Italian legislation on privacy (Legislative Decree 196/2003).

In our establishments there is a Wi-Fi network (Carcano guests), where access is given to all third parties who make an appropriate request to the ICT person in charge. Guests are given a user name and a password with limited expiration, which must be entered in the disclaimer page that appears when accessing navigation. Privacy protection is also ensured for the management of the Wi-Fi network, in accordance with applicable legislation.
Situation

An acquaintance who works for a competitor company of our suppliers informally asks me the direct number of my manager, so he/she can present on the phone the advantages of their offer. How should I act?

Remember that any personal information, even if provided to bring an advantage to the Company in terms of economy, is confidential and may be disclosed only with the consent of the person involved. In this case, should consult your manager, ask him/her if he/she is willing to meet with a potential supplier company and, only if so, give him/her the number of your acquaintance.
The environment is important to our Company and to its culture deeply rooted in the territory and local communities. For many years, the Company undertakes to minimise its own impact on the environment, which is a collective and social good. The main objective in terms of environment protection is to reduce consumption by following a policy of sustainable development by means of the best available technologies.

For this reason, Carcano Antonio S.p.A.:

• Is an ISO 14001: 2015 certified company;
• It adheres to all laws and regulations in force in terms of environment protection;
• It is based on a sustainable development policy;
• Undertakes to supervise and assess the adequacy and effectiveness of its environmental management system;
• Urges its suppliers to ensure standards of high sustainability and comply with the standards in force in terms of environment;
• As part of the Model, the Company has dedicated a Special Section under Article 25 undecies of Legislative Decree 231/01 (Environmental crimes).

We are also active in the production of hydroelectric power. The establishment of Delebio, due to its hydroelectric plant, manages to support, from an energetic point of view, more than 20% of its production, in constant observation of the regulations on maintenance of MVF (Minimum Vital Flow of the river). Moreover, at the headquarters in Mandello del Lario, the asbestos roofs were eliminated and photovoltaic panels were introduced also at the new establishment of Andalo Valtellino to cover areas that were not affected by solvent-based processing.
Due to the fact that at the Converting Production Units part of the activity is dedicated to the production of packaging for the pharmaceutical and food industry, the Company has implemented an internal health and hygiene self-control system (HACCP), integrated with the existing quality management system, to avoid any possible contamination with the products, maintain working areas clean and dispose of solid and liquid waste properly.

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**Situation**

Within the department where I work, I have noticed that a colleague, in order to optimise his working hours, disposes superficially of some of the waste that is less polluting. Do I have to report it, even if it is non-hazardous waste?

Regardless of the danger and polluting rate of the waste, any violation of the correct disposal of waste can generate, in the long run, a dangerous situation and a possible accident, as well as violating the appropriate legislation on waste management and protection of safety and health in the workplace. Any failure to implement the proper waste disposal procedure should be reported immediately to the head of department and to the HSE (Health, Safety and Environment) person in charge.

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**Respect for safety and health in the workplace**

Safety and health in the workplace are the foundations of our activity’s culture, which wants to maintain a guidance role in the protection and safeguarding of all its employees. In order to reach this objective, the company is constantly committed to:

- Adhere to all laws and regulations in force in terms of health and safety at the workplace;
- Plan appropriate training and updating courses to consolidate a culture of safety, developing the cognition of risks and the active role of all collaborators in maintaining a safe and secure work environment, as well as the awareness of the responsibility of each in preventing accidents;
- Use PPE (Personal Protection Equipment) based on the risk identified by the DRA (Document for business Risk Assessment);
- Monitor and evaluate the adequacy and effectiveness of our own safety management system;
- Keep a participatory and continuous dialogue with the Representatives of Employee Safety (RES);
- Adopt internal control measures on the prevention of accidents at work and occupational diseases.

Specifically, we worked on risk assessment, the continuous monitoring of all activities and processes, the programming of continuous improvement actions, staff training, prevention and emergency management.

In addition, the Company under the Model pursuant to Legislative Decree 231/01 has created a dedicated Special Section under Article 25 septies of Legislative Decree 231/01 (Offences relating to health and safety in the workplace).
Within the department I work in, I sometimes see colleagues who do not wear PPE. What should I do?

PPE is essential for personal safety because it can protect workers in case of unsafe situations. Talk to your colleagues trying to convince them that prevention is the first real step towards a culture of safety and, if the situation persists, talk to the head of department, the HSE and RES managers.
During its centuries-old history, Carcano Antonio Sp.A. has built a reputation and an image based on quality, excellence and respect. This result has been achieved thanks to a core value such as confidentiality, applied both for the protection of corporate information, and through a proper and careful relationship with the media.

The Carcano employees have access to proprietary information of the Company and, sometimes, even of the customers and suppliers. Such data can be technical, financial, commercial or sensitive data. Unauthorised access, use and dissemination of this information, besides being a violation of the regulations, including those relating to sensitive data, can cause significant damage to the Company and/or to third parties.

Therefore, any information that is not in the public domain must be protected by the confidentiality obligation and it is appropriate that an employee, if not certain of being authorised, examined the specific situation and seek clarification.

From the data protection perspective, every employee who has been entrusted with a company asset (laptop, mobile phone, and/or other types of material goods), must keep them in a proper manner, taking care of protecting the physical integrity and focusing on the content.

Loss or damage of any corporate material asset can actually imply the loss of confidential information and contacts, with the risk that such data may arrive in the possession of third parties and may be disclosed improperly, causing major damage to other employees, partners and the Company.

In compliance with the corporate image and the workplace, it is of fundamental importance that employees have a decent presence at the workplace, following an appropriate and neat dress code; production operators are given a clothing kit annually for performing their own activities in the production environment. On the contrary, employees at the headquarters and central services are required to take care of their image and person, which cannot exclude a sober and neat outfit.
Management of mass media manager

Carcano Antonio S.p.A. is particularly linked to its image of excellence built thanks to the founding values of respect, confidentiality and high quality of work. The protection of its own reputation is a decisive aspect in relation with the external environment, which must be managed in a uniform manner and with particular attention.

It is important that the employees remember the following:

• Any information posted on the internet becomes at that very moment public domain; therefore, prior to any publication, one must be assured that the disclosed information is not confidential. However, any publication related to the Company must be previously authorised by the management offices;
• The use of social networks, chat or forums, either professional or personal, must be in line with the values we share and with the Company’s image. Thus, using social media for fun, abusing of the name of the Company is totally discouraged;
• Only employees formally authorised by the managers may come into direct contact with the press for dealing with issues related to the Company;
• All employees are an integral part of Carcano and are connected to our Company. It follows that any comment published, even for private use, relating to the Company may cause damage to the reputation and image;
• In line with the confidentiality and protection of information, employees are asked not to take photos or shoot videos at work.

The use and management of mass media managers and social networks by all employees helps protect the confidentiality of business information and protect its reputation.

Situation

A friend of mine published on my personal page of a social network an article about Carcano Antonio S.p.A. taken from a well-known local newspaper, asking me to comment and discuss about the information therein. What should I do?

First of all, think about what image you would give the Company through the answers that you publish. In addition, although that certain information is on public domain, if you comment on the article giving details you risk providing confidential information. Before you publish any personal thought concerning the Company, think about how you might cause a prejudice to it and, if any doubt, consult the Organisational Development Department.
Correct relations with customers and suppliers

Correct relations with customers and suppliers

The primary objective of Carcano Antonio S.p.A.’s activity is satisfying the expectations of customers from the point of view of excellence, quality and competitiveness. To ensure such high standards of professionalism, the Company’s foreign relations are based on:

- **Correctness** in applying the regulations in force;
- **Absence of discrimination** or favouring a customer more likely than the other;
- **Protection** of the data provided;
- **Maximum transparency** concerning the product’s processing procedures and the provision of any additional information required;
- **Professionalism** during the stage of negotiation and **diligence** in the executions of contracts;
- **Compliance** with the requirements and deadlines of the commitments undertaken with the client.

In particular, we daily commit to implement a continuous improvement of all technical, organisational and management aspects that characterise our business and to maintain our leadership on the national and international market, implementing a quality management system in compliance with the regulations of standard **UNI EN ISO 9001: 2015**, to ensure quality not only as the product meets the specifications of the customer, but also as an overall satisfaction of the customer, enhancing the aspects of the service, flexibility and timeliness of delivery. To continue on this line, the Company offers its customers the Customer Satisfaction Questionnaire as a useful way to receive accurate feedback, both on the strictly commercial aspect and on the communication aspect, as well as on the technical and quality aspect, and use such data in order to constantly improve the service.
Our company recognises the major role played by suppliers in the development of the business. In upholding the high standards of quality, we make an adequate selection of suppliers, who are required to comply with the contract regulations and the quality and environment protection standards. For these guarantees, we annually conduct an evaluation of the suppliers based on timely delivery, product quality, compliance with the environment regulations and quality, as well as respect for human dignity and human rights.

The daily contact with suppliers is based on:

- **Professionalism** during the stage of negotiation and **diligence** in the executions of contracts;
- **Precision** in respecting deadlines and obligations;
- **Correctness** in applying the regulations in force;
- **Protection** of the data provided;
- **Absence of discrimination** or favouring a supplier more likely than the other.

### Situation

I know that one of the Company’s suppliers does not properly comply with its obligations regarding the management of confidential data of Carcano Antonio S.p.A. How should I act?

*The proper management of confidential data is an integral part of the contracts that we enter into with customers and suppliers. You are, therefore, required to promptly report the issue to your direct supervisor and to the Purchasing Department.*
Protection of industrial and intellectual property and copyright

Carcano Antonio S.p.A. acts in compliance with the law and in a transparent manner in all areas of its activity and condemns any form of disruption of industry and commerce freedom, as well as any abusive duplication or reproduction, or form of fraud or forgery, misappropriation of tangible and intangible assets subject to deprivation resulting from an industrial or intellectual property right of third parties.

Any industrial property rights and/or intellectual rights on property susceptible to protection belong to the Company, which retains the right to use them in the manner and form it considers most suitable, without prejudice to the moral rights of the author recognised as such.

Each Recipient is committed to protect the intellectual and industrial property rights owned or used by Carcano Antonio S.p.A.

Each Recipient agrees not to illegally use the goods protected by industrial/intellectual rights.

Gifts, gratuities and other benefits

The Company does not use gifts and limits the use of those of smaller value (such as pens, gadgets, etc.) for the Christmas holidays.

Any form of free gift or benefit, offered or received, which could be interpreted as exceeding the normal commercial or courtesy practices, or in any case, aimed at obtaining favourable treatment in the conduct of any operation regarding corporate activity, is not allowed.
The donation process of corporate gifts and related formalities are governed by specific corporate procedure.

Recipients must refrain from practices that are not permitted by law and trade practices.

Prohibition of possession of pornographic material

The Company prohibits, inside or outside its premises, or in any other place, the visualisation, use, download, storage and reproduction of pornographic material or virtual images through any means made available by the Company.
The relationship between the Company and the Public Administration is based on principles of fairness, transparency and collaboration. Any type of behaviour that is attributable to a collusive or prejudicing nature to the principles expressed in this Code, is forbidden.

The Company rejects any behaviour that could be interpreted as a promise or offer of payment, goods or other kind of benefits meant to promote and favour one's own interests and advantage.

It is the **obligation** of Carcano Antonio S.p.A. to avoid any form of gift to public officials or public service providers, of any type, Italian or foreign, or to their family members, even through an intermediary, such as to influence their independent judgement or make them offer advantages.

This obligation has no exceptions, not even in Countries where offering valuable gifts to business partners is considered customary.

Gifts or gratuities are allowed only if of small value and, however, if cannot be in any way interpreted as a tool for receiving illegal favours, and always in compliance with the internal procedures established.

Any Recipient who receives, directly or indirectly, benefit proposals from public officials, public service providers or employees in general of the Institutions and Public Administrations, that constitute such a case, should immediately report to the Supervisory Board, if an employee, or to the manager, if a third party.

During any business negotiations, application or contact with the Public Administration, the personnel must not attempt to improperly influence the decisions of the counter-party, including those of the officials acting or taking decisions on behalf of the Institutions and Public Administrations.

In case of using a consultant or a "third party" to represent the Company in its relations with Institutions and Public Administrations, the same valid directives that apply to the Company employees shall apply to the consultant and his personnel, and the "third party".
During a business negotiation, application or business relationship with Institutions and Public Administrations, the following actions shall not be taken (directly or indirectly):

- **examining** or proposing employment and/or commercial opportunities that can unduly benefit employees and officials of the Institutions and Public Administrations in their personal capacity;
- **requesting** or obtaining confidential information that may compromise the integrity or reputation of both parties;
- **refusing**, hiding or delaying any information requested by the authorities and other regulatory bodies during inspections.
The choices, the measures and the decisions taken by the Company are not based on personal considerations, but only on the interest and benefit of the Company. We should avoid situations in which a personal interest may interfere with that of the Company or even come into conflict with it, creating a conflict of interest that interferes with the ability to take decisions impartially in the interest of the Company.

In particular, we should pay attention to the following situations:

- **Political commitment.** Employees have the right to express political opinions and to participate in political activities; however, the Company should not be involved in any way, neither nominal, nor economic;

- **Personal relationships.** Under no circumstances should any personal relationship interfere with business decisions, such as, for example, choosing a supplier, impeding a negotiation with a customer or selecting new employees. In such situations, it is appropriate to make sure that employees are not influenced by ties of affection in processes like recruitment, career advancement, selection customers or suppliers;

- **Membership in associations or other organisations,** including non-profit. In this case, it is appropriate to check that the participation in organisations outside the Company do not create conflicts of interest.

Employees should avoid any exploitation of one’s position and prevent any possible interference between their duties in the Company and other external activities of any kind.

The conflicts of interest may in fact cause damage to the Company’s credibility, as well as the involvement of the Company in external and different activities, with the potential risk of violating regulations related to conflict of interest, up to the most serious cases of possible accusations of corruption, when gifts or **gratuities** are received from partners or candidates.

Therefore, the Company discourages the entry of providers that have extra working relationships with the employees, thus trying to avoid relationships that can feed distrust and anomalies.
Situation
My brother-in-law runs a business that deals with transportation. He would like to show me a quotation, offer that may be very advantageous for the Company. How should I act?

In this specific case, it is appropriate to present the quotation to your manager or other employees, even the purchasing department, letting them know about your family relationship with the owner of the business. At this point it will be your colleagues, free from any "emotional prejudice", to assess the advantage of the proposal for the exclusive purposes of the Company.
Carcano Antonio S.p.A. supports free competition in line with the regulations and loyalty. In the relations with customers and suppliers, all forms of direct and indirect corruption such as offers, benefits, donations, gifts and any other service meant to obtain a favourable treatment is forbidden. No commercial and/or contractual relation can be defined by conditions that do not comply with the quality standards or competitive offers on the market. Similarly, any other relationship with the external environment (press, trade unions, and public institutions) must be based on transparency and good faith, without any kind of discrimination or favouring of any organisation dictated by personal interests and/or obtaining illegal or illicit benefits.

Anti-money laundering provisions

The Company, in line with its values of transparency and loyalty, undertakes to prevent unclear operations from the point of view of fairness. For this purpose, the Company:

- Acts in full respect of the anti-money laundering law;
- Avoids any involvement in operations that might possibly encourage money laundering;
- Requires in advance information about the customers and suppliers in order to check their reputation and respectability;
- Encourages the use of tracked payment systems to favour the transparency of commercial transactions;
- Implements internal control procedures.
Completeness and clarity of data

In line with the standards required for our suppliers and customers, we clearly and truthfully present the accounting data, reports and budgets. The accuracy and completeness of such information is a key element in dealing with customers, suppliers and third parties, who come into contact with the Company. In order to ensure a proper and transparent management of such sensitive data, the Company:

- Encourages participation in information initiatives and updating initiatives of the accounting documents;
- Implements internal control procedures;
- Undertakes to review and approve any type of data to be published, with the specification that the financial and accounting data of the Company are considered "confidential information", as long as they are not subject to public disclosure, following a communication from the competent parties;
- Is liable for the true and correct reporting of the economic and financial situation;
- Complies with the general and special regulations in force on the matter.

The communication and publication of financial statements and accounting data affect our image and reputation. Therefore, it is important that each employee acts based on the general principles of truth, clarity, transparency, completeness and accuracy of the data recorded.

Situation

I am doing the analysis of a potential new customer with whom, until now, Carcano Antonio S.p.A. has had only superficial contact. The opportunity is interesting and the customer presents great perspectives. How should I behave?

Being a customer of which we have little information, it is important to check its respectability, assessing its compliance with the regulations and submit it to our internal administrative and fiscal controls.
Any employee with **good faith** who witnesses a violation of the Code of Ethics, can report to his/her supervisor or to the Organisational Development Department the illicit behaviours that are contrary to this Code.

Managers are expected to seriously address the situations reported and to work so as to ensure a satisfactory solution, at one with the ethics and values of our Company, as well as with the provisions of the law.

Employees who inform the relevant bodies shall not be subject to any kind of discrimination or disciplinary action and will be **protected** from any injustice or reprisals, even in cases of reports that prove to be inaccurate, provided that their action has been done only in good faith and based on ethical intent.

Those who will have received a warning for conduct contrary to the Code of Ethics or the regulations in force, after specific verifications, will be promptly notified and a proper **disciplinary** and/or **legal sanction** will be decided for them.

Should the information prove to be inadequate, inaccurate or incomplete, the person who received the warning has the **right** to ask the correction, adjustment or removal of this information.

> **Situation**
> While performing the maintenance of the server, I discovered that a colleague has violated the password of an employee to gain access to the financial data of the Company. How should I act?

*The case presented is particularly serious because it involves the violation of several provisions of this Code, such as the respect of the privacy of employees and the protection of sensitive data, as well as the protection of the integrity of the company’s asset and its proper use. You should immediately notify your manager, pointing out the violation and the manner you came to know about it.*
Organizational and Management Model (MOG231)

General section

Version approved by the Board of Directors on [02/03/2016]
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1. Legislative Decree No. 231 dated June 8, 2001 concerning the Administrative Liability of Legal Entities, companies and associations without legal personality

1.1 • Administrative Liability of Legal Entities

Legislative Decree No. 231 dated June 8, 2001 enacting Delegated Law No. 300 dated September 29, 2000 introduced the following into Italian law: "Regulations regarding the administrative liability of legal entities, companies and associations without legal personality" (for brevity, hereinafter referred to as "L.D. No. 231 dated 2001" or "Decree"), which is part of a broader legislative process in the fight against corruption and for ensuring adequate Italian legislation on the liability of legal entities with regard to certain International Conventions signed by Italy.

Therefore, L.D. No. 231 dated 2001 establishes a system of administrative liability (substantially comparable to criminal liability) that is to be borne by the legal entities1 (for the sake of brevity, hereinafter referred to as "Entity/Entities"), in addition to the liability borne by the natural person (better identified below) who committed the crime and whose aim was to include the Entities in the punishment because the crime was carried out to their benefit or advantage. This administrative liability exists only for the offenses listed exhaustively in L.D. No. 231 dated 2001.

Moreover, Article 4 of the Decree states that in some cases and under the conditions established in Articles 7, 8, 9 and 10 of the Criminal Code, administrative liabilities apply to Entities that have headquarters in the Country when crimes are committed abroad by natural persons (as detailed below) provided that the Government where these crimes were committed does not prosecute these Entities.

1.2 • Persons subject to L.D. No. 231 dated 2001

The liability for persons who, by committing an offense that benefits or is in the interest of the Entity, may be determined as follows:

(I) natural persons who hold top positions (supervisors, administrators or managers within the Entity or one of its organizational units with financial and functional autonomy, or persons who, de facto, exercise management and control are, for the sake of brevity, hereinafter referred to as "Senior Management"),

(II) natural persons under the management or supervision of Senior Management (for the sake of brevity, hereinafter referred to as "Subordinates").

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1 Article 1 of L.D. No. 231 dated 2001 defines the scope of those affected by the legislation as "entities with legal personality, companies and associations without legal personality." In light of this, the legislation applies to:

• private entities, or companies with legal personality and associations "without" legal personality;
• public entities, or public entities with no public powers ("public entities with economic interests");
• mixed public and private entities ("joint ventures").

The following are excluded from the legislation: the Italian government, regional or local authorities (Regions, Provinces and Municipalities), public entities without economic interests and, in general, all entities that carry out functions of constitutional importance (Chamber of Deputies, Senate of the Italian Republic, Constitutional Court, Secretary General of the Presidency of the Italian Republic, Italian High Council of the Judiciary, etc.).
In this regard, it should be noted that it’s not necessary for Subordinates to have a direct subordinate employment relationship with the Entity; therefore, the definition is expanded to include “labor providers that although are not direct ‘employees’ of the Entity, they have a relationship with the Entity that indicates an obligation for supervision by the Entity’s upper management: for example, this may include agents, partners in joint-venture operations, general semi-subordinate employees (including independent contractors and self-employed individuals), distributors, suppliers, consultants and collaborators.”

In fact, according to the prevailing doctrinal address, situations where a particular task should be entrusted to external collaborators who are required to carry out that task under the direction or control of Senior Management are significant for the purposes of the Entity’s administrative liability.

However, it is worth repeating that, in accordance with legislative provisions (Article 5, Section 2 of the Decree), the Entity is not Responsible if the aforementioned persons have acted in the exclusive interest of third parties. In any case, the natural person’s behavior must be related to the “organic” relationship with the Entity for the actions of the natural person to be attributable to the Entity.

1.3 • Predicate Offenses

The Decree references the following specific crimes (for the sake of brevity, hereinafter referred to as ‘Predicate Offenses’):

(I) crimes against the Public Administration (Articles 24 and 25 of L.D. No. 231 dated 2001) as defined in the Decree and subsequently amended by Law No. 190 dated November 6, 2012 and Law No. 69/15;

(II) computer crimes and illegal data processing, as defined in Article 7 of Law No. 48 dated March 18, 2008 and included in L.D. No. 231 dated 2001, Article 24–bis;

(III) organized crimes, as defined in Article 2, Section 29 of Law No. 94 dated July 15, 2009 and included in L.D. No. 231 dated 2001, Article 24–ter;

(IV) crimes related to forging money, public credit documents, tax stamps and identification instruments, as defined by Article 6 of Law No. 406 dated November 23, 2001 and included in the L.D. No. 231 dated 2001, Article 25–bis; subsequently supplemented by Article 15, Section 7, Letter a) of Law No. 99 dated July 23, 2009;

(V) crimes against industry and trade, as defined in Article 15, Section 7, Letter B of Law No. 99 dated July 23, 2009 and included in L.D. No. 231 dated 2001, Article 25–ter;

(VI) corporate crimes, as defined in Legislative Decree No. 61 dated April 11, 2002 and included in L.D. No. 231 dated 2001 Article 25–ter; subsequently supplemented by Law No. 190 dated November 6, 2012 and Law No. 69/15;

(VII) crimes of terrorism or subversion of the democratic order, as defined by Law No. 7 dated January 14,2003 and included in L.D. No. 231 dated 2001, Article 25–quarter;

(VIII) female genital mutilation, as defined by Law No. 7 dated January 9, 2006 and included in L.D. No. 231 dated 2001, Article 25–quarter;1

(IX) crimes against an individual’s safety, as defined by Law No. 228 dated August 11, 2003 and included by L.D. No. 231 dated 200, Article 25–quinquies;

(X) market abuse crimes, as defined by Law No. 62 dated April 18, 2005 and included in L.D. No. 231 dated 2001 Article 25–sexies and in the Italian Consolidated Finance Act (TUF), Article 187–quinquies “The Entity’s Liability”;

2 The full text can be found here: Assonime Circular No. 68 dated November 19, 2002.
(XI) crimes of manslaughter or grievous bodily harm committed in violation of the regulations for the protection of health and safety at work, as defined by Law No. 123 dated August 3, 2007 and included in L.D. No. 231 dated 2001, Article 25-septies;

(XII) crimes related to receiving, laundering and using money, goods or benefits from illicit origins as well as self-laundering, as defined by Legislative Decree No. 231 dated November 21, 2007 and included in L.D. No. 231 dated 2001, Article 25-octies; subsequently supplemented by Law No. 186/15;

(XIII) crimes related to copyright violation, as defined in Article 15, Section 7, Letter C of Law No. 99 dated July 23, 2009 and included in L.D. No. 231 dated 2001, Article 25-novies;

(XIV) crimes related to inciting noncompliance with or making false statements to the court, as defined in Article 4 of Law No. 116 dated August 3, 2009 and included in L.D. No. 231 dated 2001, Article 25-decies;

(XV) environmental crimes, as defined in Legislative Decree No. 121 dated July 7, 2011 and included in L.D. No. 231 dated 2001, Article 25-undecies, subsequently supplemented by Law No. 68/15;

(XVI) transnational crimes, as defined by Law No. 146 dated March 16, 2006, “Law to ratify and implement the Protocols for the United Nations Convention against Transnational Organized Crime”;

(XVII) employment crimes committed by Non-EU Nationals whose stay is illegal, as defined by Legislative Decree No. 109 dated July 16, 2012, given the “Implementation of Directive 2009/52/EC, which provides for minimum standards for sanctions and measures against employers who employ non-EU nations whose stay is illegal,” and included in L.D. 231 dated 2001, Article 25-duodecies.

1.4 • Sanctions provided for in the Decree

L.D. No. 231 dated 2001 provides for the following types of sanctions applicable to the Entities defined by the legislation:

(a) administrative fines;

(b) restrictions;

(c) confiscated earnings or profits resulting from the crime;

(d) publication of the judgment.

(a) Administrative fines, governed by Article numbers 10 and above of the Decree, are the required minimum or “base” sanctions, which shall be paid by the Entity using its assets or common fund.

The Legislator has adopted innovative criteria for calculating the sanctions, obligating the Judge to take two different and successive assessment processes. This results in sanctions that are better adapted to the gravity of the crime and the Entity’s economic conditions.

The first assessment requires the judge to determine the number of installments (in any case, not fewer than one hundred and not more than one thousand) while taking into account the following:

- the seriousness of the act;
- the degree of the Entity’s liability;
- activities carried out to eliminate or mitigate the consequences of the offense and prevent the commission of further offenses.

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3 Originally numbered ‘25-novies’ and renumbered in Legislative Decree No. 121/2011.

4 With reference to the crime of market abuse, Section 2 of Article 25-sexies of L.D. No. 231 dated 2001 provides that: “If after the crimes referred to in Section 1 have been committed, the product or profit obtained by the Entity is significant, the penalty is increased to ten times the value of the product or profit.”
For the second assessment, the Judge shall determine, within the minimum and maximum values predetermined in relation to the punishable offenses, the value of each installment between a minimum of €258.00 and a maximum of €1549.00. The figure is determined “based on the economic and financial conditions of the institution in order to ensure the effectiveness of the sanction” (Articles 10 and 11, Section 2 of L.D. No. 231 dated 2001).

As stated in section 5.1. of the Decree, “Regarding the method for assessing the Entity’s economic and financial conditions, the Judge may use financial statements or other documents to get a picture of the Entity’s circumstances. In some cases, proof may also be obtained by taking into account the Entity’s size and position on the market. (...) The Judge may require the help of a consultant to gain a better picture of the Entity and attain additional information regarding the status of the Entities economic, financial and capital situation.”

Article 12 of L.D. No. 231 dated 2001 provides for a series of cases that may warrant a reduced fine. They are schematically summarized in the table below, indicating the reduction made and the conditions that warranted the application of that reduction.

<table>
<thead>
<tr>
<th>Reduction</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2 (and in any case, it may not exceed €103,291.00)</td>
<td>• The offender committed the act in their best self-interests or the interest of a third party and the Entity did not gain an advantage or only gained a slight advantage; or • the financial damage caused is particularly slight.</td>
</tr>
<tr>
<td>from 1/3 to 1/2</td>
<td>[Prior to the opening statements of the first instance hearing] • The entity has completely refunded the price of the damage and has eliminated the damaging or dangerous consequences of the offense or has taken effective steps in this direction; or • an organizational model that is capable of preventing offenses like those that occurred has been implemented and made operational</td>
</tr>
<tr>
<td>from 1/2 to 2/3</td>
<td>[Prior to the opening statements of the first instance hearing] • The entity has completely refunded the price of the damage and has eliminated the damaging or dangerous consequences of the offense or has taken effective steps in this direction; and • an organizational model that is capable of preventing offenses like those that occurred has been implemented and made operational.</td>
</tr>
</tbody>
</table>
(b) The following restrictions are covered by the Decree and only apply to the crimes expressly indicated:

- banned from conducting business activities;
- suspended or revoked authorizations, permits or licenses used to commission the unlawful act;
- banned from entering into contracts with the Public Administration except for obtaining public services;
- excluded from benefits, loans, grants and subsidies and/or revocation of those already granted;
- banned from advertising goods and services.

For the restrictions to be imposed, at least one of the conditions defined in Article 13 of L.D. No. 231 dated 2001 must be present:

- "the Entity made a profit from the crimes committed by the relevant Entities and the crime was committed by persons in senior positions or individuals under their direction when, in this case, the crime was dictated or facilitated by serious organizational weaknesses"; or
- "in cases where the crime or offense has been repeated".

In addition, the restrictions can also be requested by the Public Ministry and applied to the Entity by the Judge as a precautionary measure when the following conditions have been met:

- there are serious grounds for believing that the Entity is liable for an administrative offense resulting from a crime;
- specific and founded evidence has emerged that suggests that there is a real danger that additional offenses or crimes similar to those already committed could be committed in the future;
- the Entity has made a substantial profit.

In any case, the restrictions shall not be applied if the crime was committed in the prevailing interest of the person(s) who committed the crime or third parties and the Entity has derived little or no benefit or the financial damage caused is particularly slight.

The application of restrictions shall also be precluded if the Entity has implemented the restorative measures defined in Article 17 of L.D. No. 231 dated 2001 and, more precisely, when the following conditions have been met:

- "the Entity has completely refunded the price of the damage and has eliminated the damaging or dangerous consequences of the offense or crime, or has taken effective steps in this direction";
- "the Entity has eliminated the organizational deficiencies that led to the offense by adopting and implementing suitable organizational models to prevent crimes like those that occurred";
- "the Entity has made profits gained from the crime or offense available for confiscation".

The restrictions shall last for no less than three months and no more than two years. The Judge will choose which restrictions to apply and their duration based on the previously mentioned criteria for monetary sanctions, "taking into account the suitability of individual sanctions to prevent the occurrence of offenses or crimes similar to those already committed" (Art. 14, L.D. No. 231 dated 2001).

The Legislator must then clarify that banning the Entity from conducting business activities will have a residual effect with regard to the other restrictions.

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5 Pursuant to Article 20 of L.D. No. 231 dated 2001, "repeat offenses are those committed by an Entity within five years after being convicted of at least one offense resulting from a crime."
(c) Pursuant to Article 19 of L.D. No. 231 dated 2001, once convicted, the Entity shall make the value (money or other economic benefits given or promised to induce or cause another person to commit the crime) or profit (immediate economic benefits or gains) – or the equivalent – from the crime available for confiscation, except for the portions that can be returned to the affected party and without prejudice to the rights acquired in good faith by third parties.

(d) When a restriction is applied, the Judge may order publication of the sentence in one or more newspapers, in part or in full, and advertising within the municipality where the Entity is headquartered. The Court Registrar with jurisdiction shall publish the sentence at the expense of the Entity.

1.5 · Attempted crimes

If an attempt to commission a Predicate Offense defined in the Decree, the monetary sanctions (in terms of the amount) and the restrictions (in terms of time) shall be reduced by one third to one half, while sanctions shall not be imposed if the Entity has voluntarily stopped the action or event (Article 26 of the Decree).

Exemptions

Articles 6 and 7 of L.D. No. 231 dated 2001 provide for specific exemptions from administrative liability for crimes committed by the Entity in their own interest or for their own benefit by Senior Managers and Supervised Staff (as defined in the preceding paragraph 1.2).

In particular, Article 6 of the Decree provides for exemptions for crimes committed by Senior Managers if the Entity demonstrates the following:

a) before the offense was committed, the governing body adopted and effectively implemented an organizational and management model capable of preventing offenses like those that occurred (for brevity, hereinafter referred to as the "Model");

b) supervision to ensure functionality and compliance of the Model, including updating it, had been entrusted to a board belonging to the Entity (for brevity, hereinafter referred to as the "Supervisory Board" or the "SB"), which has independent powers of initiative and control;

c) people who committed the crime fraudulently eluded the Model;

d) supervision from the Supervisory Board was not lacking or insufficient.

Regarding Supervised Staff, Article 7 of the Decree provides for the exemption from liability in the event that the Entity has adopted and effectively implemented a Model before the offense was committed and that is capable of preventing offenses like the one that occurred.

However, the Entity’s liability exemption is not determined by the mere adoption of the Model but by its effective implementation, which must be carried out by implementing all protocols and controls required to reduce the risk that the offenses the company intends to avert will be committed in the future. In particular, with reference to the characteristics of the Model, Article 6, Section 2 of the Decree expressly outlines the following stages for the correct implementation of the Model:
a) identifying activities that could lead to a crime;
b) providing specific protocols aimed at planning the development and implementation of the decisions made by the Entity for the prevention of crimes;
c) identifying ways to manage financial resources in order to prevent the commission of such offenses;
d) providing necessary information to the Supervisory Board;
e) introducing a disciplinary system to punish non-compliance with the measures indicated in the Model.

1.6 · Guidelines

When expressly indicated by the delegated Legislator, the Models may be adopted based on the codes of conduct drawn up by trade associations that have been communicated to the Ministry of Justice, which may develop recommendations within 30 days to address how suitable the Models are for preventing crimes.

The development of this Model was inspired by the Guidelines for the construction of Organizational Management and Control Models pursuant to L.D. No. 231 dated 2001, approved by the Association of Italian Industries (Confindustria) on March 7, 2002 and subsequently amended.6

The steps indicated by the Guidelines for development of the Model may be established according to the following key points:
→ Identify risk areas to verify which business areas or sectors are vulnerable to crimes;
→ Develop a control system that can reduce risks by adopting specific protocols. In support of this, the coordinated system of organizational structures, activities and operational rules applied by management and consultants - as indicated by upper management - shall assist with providing reasonable assurance that the objectives have been achieved through a good system of internal controls.

The most important components of the preventive control system proposed by the Confindustria Guidelines are those that concern the prevention of intentional offenses:
- Code of Ethics;
- organizational system;
- manual and computerized procedures;
- powers of authorization and signature;
- control and management system;
- communicating with and training personnel.

With regard to culpable offenses (offenses related to health and safety at work and - although subsequent to adoption of the Guidelines - most environmental offenses), the most relevant components identified by Confindustria are as follows:
- Code of Ethics (or behavior) with regard to the offenses.
- organizational structure.
- education and training.

6 Guidelines updated by the Confindustria in March 2014.
- communication and involvement,
- operational management,
- security monitoring system.

The control system must be supplied with information on the following:
- verification, documentation, consistency and congruence of each procedure;
- separation of duties (no person should independently manage all stages of a process);
- documentation of controls;
- introduction of an adequate system of penalties for violations of rules and protocols established by the Model;
- identification of a supervisory board, the requirements of which are:
  • autonomy and independence,
  • professionalism,
  • continuity of action;

→ obligate company bodies, particularly those identified as being most "at risk for offenses," to provide information to the Supervisory Board on a regular basis (periodic information on the implementation of the Model), and to report anomalies or atypical information.
2. Carcano Antonio S.p.A. organizational and management model

2.1 · Summary Description of Carcano Antonio S.p.A.’s Business Activities

Carcano Antonio S.p.A. is one of the most important European companies in the field of casting, hot and cold aluminum rolling and the self-production of flexible foil packaging for industries such as candy, food, pharma-ceuticals, etc. It is also active in certain technology fields, particularly cable shielding, insulation and thermal-acoustic insulation.

2.2 · Adoption of the Model

In accordance with the Decree, Carcano Antonio S.p.A. has adopted its own Model, which was approved by the Company’s Board of Directors on March 2, 2016. The Board of Directors has also been assigned the task of integrating this Model with the other types of Predicate Offenses defined in L.D. No 231 dated 2001.

2.3 · Purpose of the Model

2.3.1 • Purpose of the Model

The Model prepared by the Company is based on the identification of areas of possible risk within business activities in which it believes there could be a greater chance of crime. Therefore, the Company has proposed the following objectives:
- establish a prevention and control system aimed at reducing the risk of commissioned offenses that relate to company activities;
- make all those who act in the name and on behalf of Carcano Antonio S.p.A. – particularly those engaged in “risk areas” – aware that should they participate in an act that violates the provisions contained herein, that offense would be punishable with penalties at either a legal or administrative level and the penalties will apply to both them personally and the Company;
- inform all those who work with the Company that violation of the regulations defined in the Model will result in the application of certain sanctions or the termination of the contractual relationship;
- confirm that Carcano Antonio S.p.A. will not tolerate unlawful behavior of any kind, irrespective of any intent or purpose, and that such behavior (even when the Company may appear to benefit from it) is otherwise contrary to the principles that inspire the Company’s entrepreneurial activities.
2.3.2 • Development of the Model

Based on the indications contained in the reference Guidelines, the Model (and the subsequent drafting of this document) was developed by dividing it into the phases described below:

(I) conduct a preliminary examination of the business environment by analyzing relevant corporate documents and conducting interviews with Carcano Antonio S.p.A. managers who have been informed about the structure and activities of the examination in order to define the organization and activities performed by the various organizational/functional units within the business, as well as the business processes in which the activities are structured and their concrete and effective implementation;

(II) identify areas of activity and business processes that are “at risk” or “instrumental” (limited to crimes against the public administration) to the commission of crimes based on the aforementioned preliminary examination of the business environment (for brevity, hereinafter referred to as “Crime Risk Areas”);

(III) hypothesize and define the primary ways Predicate Offenses could be committed within individual Crime Risk Areas;

(IV) identify and collect data on the Entity’s supervisory and control system that is designed to prevent and commission Predicate Offenses.

2.3.3 • Concept of Acceptable Risk

When preparing an organizational and management Model, such as this one, the concept of Acceptable Risk must not be overlooked. In fact, to ensure compliance with the provisions defined in L.D. No. 231 dated 2001, it is essential to establish a threshold that will set a minimum standard for the amount and the quality of the preventive tools that must be adopted to prevent the commission of offenses. With specific reference to the sanctions mechanism introduced by the Decree, the threshold of acceptability is represented by the effective implementation of an adequate prevention system that cannot be accidentally bypassed and, as such (for the purpose of removing administrative liability), those who do commit a crime will do so fraudulently by eluding the Model and the controls adopted by the Company.

2.3.4 • Structure of the Model and the Predicate Offenses Relevant to its Construction

The Company intends to establish a Model that takes their unique business reality into consideration, is in line with its own system of governance, and is capable of enhancing the existing controls and systems.

Therefore, the Model represents a coherent set of principles, rules and provisions that do the following:

- affect the internal operation of the Company and the ways in which it interacts with the outside world;
- regulate the diligent management of a control system for Crime Risk Areas and are aimed at preventing the commission or the attempted commission of the offenses specified in the Decree.

In particular, Carcano Antonio S.p.A.’s Model consists of a “General Section,” which contains the main principles of the Model, and “Special Sections” that pertain to the various categories of offenses defined in L.D. No. 231 dated 2001.

For each category of offenses, each Special Section contains a summary description of the offenses that may result in administrative liability for the Company, indicates the identified Crime Risk Areas and describes the main rules of conduct implemented by the Company, which Recipients of the Model (as defined below) must follow in order to prevent the commission of such offenses.
Regarding the number of crimes for which the Entity will assume administrative responsibility under the Decree, some were deemed irrelevant to the construction of this Model since the risk of these crimes being commissioned was considered to be merely abstract, not concrete. In particular, the following cases were considered irrelevant after a careful evaluation of the activities concretely carried out by Carcano Antonio S.p.A.:

1. **Crimes against personal safety** (Article 25 quinquies of the Decree);
2. **Crimes related to inciting noncompliance with or making false statements to judicial authorities** (Article 25-decies of the Decree);
3. **Computer crimes and unlawful data processing** (Article 24-bis of the Decree);
4. **Female genital mutilation** (Article 25-quater.1 of the Decree);
5. **Market abuse crimes** (Article 25-sexes of the Decree).

In any case, the ethical principles that underpin the Company’s Model and its governance structure are still generally intended to prevent offenses that, due to their immateriality, are not specifically addressed in the Special Sections portion of this Model.

### 2.4 • Documents Related to the Model

The following documents form an integral and substantial part of this Model:

- A code of ethics that contains all Carcano Antonio S.p.A.’s rights, duties and responsibilities with regard to the recipients of the Model (for brevity, hereinafter referred to as the ‘Code of Ethics’);
- A disciplinary and sanctions system that will be applied if the Model is violated (for brevity, hereinafter referred to as the ‘Sanctions System’);
- A system of proxies and powers of attorney, and all the documents that aim to describe and assign responsibilities and/or duties to those who work within Crime Risk Areas within the Entity (i.e. organization charts, service orders, job descriptions, function charts, etc.);
- A system of procedures (protocols) and internal controls that aims to ensure adequate transparency and disclose the decision-making and financial processes and behaviors that must be made by the recipients of this Model who operate in Crime Risk Areas. (For brevity, the system of proxies and powers of attorney, procedures and internal controls mentioned above shall hereinafter be referred to collectively as the ‘Procedures’).

The Model not only applies to this document but also all additional documents and procedures that will be subsequently adopted in accordance with the Model and in pursuit of the aims described above.
2.5 • Managing Financial Resources

Without prejudice to all that is indicated in the previous paragraph, in accordance with Article 6, Letter c) of L.D. No. 231 dated 2001 and in addition to the requirements that the Model must meet, the Model must also identify ways to manage the financial resources needed to prevent the commission of crimes. Therefore, the Company has adopted specific protocols containing the principles and behaviors that must be followed by those who manage such resources.

2.6 • Distributing the Model

2.6.1 • Recipients

This model takes into account the particular business reality of Carcano Antonio S.p.A. and is a valuable tool for raising awareness and informing Senior Managers and Supervised Staff (for brevity, hereinafter referred to as the ‘Recipients’).

All of this is to ensure that Recipients carry out their work correctly, transparently and in line with the ethical and social values that guide the Company in the pursuit of its corporate purpose and so as to prevent the risk of the crimes listed in the Decree from being committed.

In any case, the relevant corporate roles shall ensure that the principles and rules of conduct contained in Carcano Antonio S.p.A.’s Model and Code of Ethics are implemented in the Company Procedures.

2.7 • Training and Educating Personnel

Carcano Antonio S.p.A.’s goal is to ensure that the Recipients properly understand the contents of the decree and the obligations that arise therefrom.

For the effective implementation of this Model, the Recipients will be educated and trained by Organizational Development Managers in close coordination with the Supervisory Board and the heads of other company bodies who, from time to time, will be involved in the implementation of the Model.

The primary methods used in the training and educational activities necessary for ensuring compliance with the provisions contained in the Decree also comply with the specific report regarding recruitment and other activities deemed necessary for ensuring the correct applications of the provisions defined in the Decree. Particularly, it provides for the following:
initial communication: in this regard, Company staff will be notified that the Model has been adopted. New hires will be supplied with Carcano Antonio S.p.A.'s Code of Ethics and the General Section of the Model. New hires will also be required to sign a form acknowledging that the Model is available via the Company's intranet and that they are committed to complying with the aforementioned regulations. In addition, Senior Managers and/or Supervised Staff operating in Crime Risk Areas shall receive reports on the Special Sections that concern the reference area.

specific training activities: "continuous" training is mandatory and shall be executed via technological tools and systems (e-mail updates, the Company's intranet, self-assessment tools) as well as meetings, training seminars and periodic updates. Training activities are differentiated in content and modes of delivery depending on the recipients' qualifications, the risk level of the area in which they work and the degree to which they represent the Company.

In order to ensure that the staff has received the Model and has been properly informed of the contents of the Decree and the obligations arising from its implementation, a specific section of the Company's intranet has been established and contains all the documents that form the Model. It is updated as needed by the relevant body in coordination with or upon recommendation from the Supervisory Board.

2.8 • Informing Third Parties and Distributing the Model

The Company shall also disseminate the Model to those who maintain relationships with the company without employment contracts, including consultants, agencies, commercial representatives and others who provide professional ongoing or occasional services outside the company (including personnel acting on behalf of suppliers and partners, even those under temporary contracts, and joint-ventures) (for brevity, hereinafter referred to as "Third Parties").

In particular, company bodies will - sometimes in collaboration with other bodies - notify Third Parties and service companies with which they come into contact about the Model adopted by Carcano Antonio S.p.A., pursuant to L.D. No. 231 dated 2001. The Company shall also call on Third parties to observe the Code of Ethics and General Section of the Model available on the Company's internet.

 Specific clauses are added to the respective contracts of Third Parties, which are designed to inform Third Parties that Carcano Antonio S.p.A. has adopted the Model; in doing so, Third Parties must then declare that they have read and have knowledge of the consequences of not complying with the regulations contained in the Code of Ethics and the General Section of the Model, and agree to ensure that they, their executives and subordinates, will refrain from committing any Predicate Offenses.

3.1 · The Company’s Governance Model

Carcano Antonio S.p.A. is a joint stock company managed by a Board of Directors with 5 to 9 members, as approved during the Board Meeting.

3.2 · Carcano Antonio S.p.A.’s Internal Control System

Carcano Antonio S.p.A. has adopted the following general tools aimed at planning, developing and implementing Company decisions (including those that pertain to the prevention of offenses):
- ethical principles to which the Company aspires, which are also based on the provisions established in the Code of Ethics;
- a system for delegating powers and proxies;
- documentation and provisions related to the hierarchical functional structure of the business and organization;
- an internal control system and, therefore, the structure of business processes;
- procedures related to administration, accounting and reporting;
- communications and company news provided directly to the staff;
- compulsory, adequate and differentiated training for all staff;
- a sanctions system established by the Italian National Collective Bargaining Agreement (CCNL);
- a “corpus” for national and foreign policies and regulations, when applicable.

3.3 · General Control Principles in Crime Risk Areas

In addition to the specific controls described in the Special Section of this Model, the Company has implemented specific general controls that are applicable to all Crime Risk Areas.

In particular, they include the following:

- **Transparency**: each operation, transaction and action must be justifiable, verifiable, coherent and consistent;

- **Separation of Functions and Powers**: no individual may independently manage the entire process and may not be equipped with unlimited powers; powers of authorization and signature must be defined in a manner that is consistent with the assigned organizational responsibilities;

- **Adequacy of Internal Policies and Regulations**: all business policies and regulations must be consistent with the operations carried out and the level of organizational complexity. They must also be capable of guaranteeing that the necessary controls are effective at preventing the commission of offenses defined by the Decree;

- **Traceability and Documentability**: each operation, transaction, action, verification and control must be documented and the documentation must be properly archived.
4.1 · Characteristics of the Supervisory Board

In accordance with L.D. No. 231 dated 2001 (Articles 6 and 7) and the information contained in the Confindustria Guidelines, the Supervisory Board must have the following characteristics to ensure effective and efficient implementation of the Model:

(a) autonomy and independence;
(b) professionalism;
(c) continuity of action;

(a) Autonomy and Independence
The requirements of autonomy and independence are essential to ensure that the SB is not directly involved in the management body subject to its control activities and, therefore, not subject to pressure or interference from that management body. These requirements may be met by granting the Supervisory Board the highest hierarchical position possible and requiring that it report to the highest members of upper management, such as the Board of Directors. For the purposes of independence, it is also essential that the SB is not assigned operating tasks that would compromise the objectivity of its judgment with respect to assessing conduct and the effectiveness of the Model.

(b) Professionalism
Members of the Supervisory Board must possess technical and professional skills appropriate for the functions they are to perform. These characteristics combined with independence guarantee objective judgment.

(c) Continuity of Action
The Supervisory Board must:
- continually develop and implement the activities necessary to ensure that implementation of the Model is supervised with adequate commitment and the necessary powers of investigation;
- be structured as part of the Company so that it can ensure the necessary continuity of supervisory activities.

In addition to the professional competencies described above, these entities should possess the formal subjective requirements that will further guarantee the autonomy and independence required by the task and ensure that the requirements above are effectively met (i.e. integrity, no conflicts of interest or kinship ties to the governing bodies or upper management, etc.).

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7 Among others, this applies to the following: measures to limit the SB (organizational procedures, comparative mechanisms for tasks, etc.); flowcharting procedures and processes for identifying weaknesses, interview techniques and processing questionnaires; methods for detecting fraud; etc. Members of the Supervisory Board must have inspection skills (to determine if a criminal offense has been committed and who committed it); advisory skills (to adopt the most appropriate measures to prevent the commission of such crimes with reasonable certainty, as indicated by the Model and subsequent amendments, or to verify that the current daily behaviors effectively comply those required) and legal skills. L.D. No. 231 dated 2001 is a Criminal Code that, with enforcement by the Supervisory Board, aims to prevent the commission of offenses; therefore, knowledge of criminal structures and implementation methods is essential (this can be ensured by using company resources or external consultants).
4.2 · Identifying Members of the Supervisory Board

The Company has previously submitted a document to the Board of Directors that identifies the members of the Supervisory Board, specifying the requirements (deemed essential by the Board of Directors) that each member possesses, such as membership with the National Bar Association or Registry of Lawyers. This document was subject to approval by the Board of Directors (March 2, 2016).

Carcano Antonio S.p.A.’s Board of Directors appointed three diverse and subjective members to the Company’s Supervisory Board who fulfill the following positions:

(I) an external member;
(II) an external member;
(III) an internal member.

This configuration guarantees that their controls are independent from any form of interference and/or influence by any individuals from within the organization, while also ensuring sufficient continuity of action, allowing them to meet the requirement of professionalism in relation to the various categories of Predicate Offenses.

Once implemented, the Supervisory Board shall establish its own rules and procedures as well as establish and update a plan for activities it would like to carry out.

4.3 · Duration of the Appointment and Causes of Termination

Members of the Supervisory Board shall hold office for the duration stated in the terms of the appointment, which may be renewed.

A member’s appointment may be terminated should any of the following occur:
- the term or duration of the appointment has expired;
- the member has been removed from the Supervisory Board by the Board of Directors;
- the member has sent formal written notification of their resignation to the Board of Directors;
- any of the grounds for termination referred to in Section 4.4 have been met.

The member may only be removed from the SB with cause, which shall include any of the following:
- if the member has been involved in a criminal case concerning the commission of a crime;
- if the member is found to have breached confidentiality obligations imposed by the SB;
- if the member has committed gross negligence while performing the tasks related to the position;
- if the Company becomes involved in criminal or civil proceedings connected to a lack of or insufficient supervision on the part of the member, even if unintentional.

Removal or termination shall be enacted by a resolution from the Board of Directors, subject to the binding opinion of the Company’s Board of Auditors.
In the event that the member’s term expires, they are removed from the board or they resign, the Board of Directors shall appoint a new member to the SB without delay and the outgoing member shall remain in office until replaced.

4.4 • Ineligibility and Forfeiture

The following constitute reasons for the member’s ineligibility and/or forfeiture of their position on the SB:

a) debarment, disqualification, bankruptcy or any criminal conviction (even if not finalized) resulting from any offense defined by the Decree, or any punishment involving debarment (even if temporary) from public office or the inability to hold management positions;

b) any relationships (relatives, spouses, or similar relationships within four degrees of kinship) with any member of the Company’s Board of Directors or Board of Auditors, or with any external entities in charge of the review;

c) any asset relationships between the SB member and the Company that could compromise the SB member’s level of independence.

If any cause for forfeiture should occur at any point in the member’s term on the Supervisory Board, the member must immediately inform the Board of Directors.

4.5 • Functions, Duties and Powers of the Supervisory Board

In accordance with the Decree and Guidelines, the general functions performed by the Supervisory Board shall consist of the following:

• verification that the Model is being properly applied with regard to the different crimes under its purview;

• verification of the Model’s effectiveness and its actual ability to prevent the commission of the offenses in question;

• identify and propose Model updates and changes to the Board of Directors in relation to changes in the Company’s regulations, needs or business conditions;

• verification that the updates and changes proposed by the Board of Directors have been effectively implemented in the Model.

As part of the functions described above, the SB is responsible for carrying out the following duties:

• periodically check the status of Crime Risk Areas and the adequacy of controls so they can be adapted to activity or structure changes. For this purpose, the SB must be notified by the recipients defined in the Special Section of the Model of any situations that may expose the Company to crime risks. All communications must be made in writing and forwarded to the SB’s appropriate email address;

• regularly carry out audits and inspections targeted to specific transactions or acts carried out in Crime Risk Areas, in accordance with plan previously established by the SB;

• collect, process and store information (including the reports referred to in the following section) so as to ensure compliance with the Model and update the list of information that must be submitted to the SB:
• conduct internal investigations to ascertain alleged violations of the provisions established in this Model that have been brought to the attention of the SB by specific reports or that emerged during the course of the SBs general supervision duties;
• verify that the basic information defined in the Model with regard to the various types of crimes and offenses (standard clauses, procedures and related clauses, delegation system, etc.) is being effectively adopted and implemented, and is responding in accordance with the requirements defined in L.D. No. 231 dated 2001. If not, then corrective actions and updates must be proposed.

The SB has been granted the following powers so that it may carry out the functions and duties defined above:
• broad and comprehensive access to various business documents, particularly those that concern the Company’s relationships with contracted employees, independent contractors and third parties;
• support and cooperation from the various corporate structures and bodies that may be interested or involved in control activities;
• the ability to confer specific consulting assignments and assistance to professionals also outside the Company.

4.6 • Resources Available to the Supervisory Board

The Board of Directors shall provide the SB with the human and financial resources deemed necessary to complete the required work. In particular, the Supervisory Board shall be granted autonomous spending power, and the power to make, amend and/or terminate professional contracts with third parties that have specific expertise necessary for the best execution of the work.

4.7 • Information Flows to and from the Supervisory Board

4.7.1 • Obligations to report necessary information to the Supervisory Board

In order to facilitate supervision of the Model’s effectiveness, the Supervisory Board must be informed of events that could result in liability for Carcano Antonio S.p.A. pursuant to L.D. No. 231 dated 2001; information should be received in the form of special reports submitted by Recipients of the Model and Third Parties when appropriate.

Information flows to the Supervisory Board are divided into general information and specific obligatory information.

The following requirements apply to the general information category:
- recipients are required to report the following to the Supervisory Board: news related to the commission of a crime or the reasonable belief that crimes or practices not in line with the procedures and rules of conduct issued or to be issued by Carcano Antonio S.p.A. have been committed;
- third parties are required to report information about commissioned crimes or if there is reasonable belief that the crimes and offenses within the limits and in the manner prescribed by their contract have been committed;
- third parties are required to submit any reports directly to the SB.
In addition to the general violations reports described above, the following information is mandatory and must be promptly submitted to the SB:
- measures and/or news from judicial police or any other authority involved in investigations that pertain to the Company or members of its corporate bodies;
- reports prepared by the heads of any other corporate bodies (i.e. the Board of Auditors) as part of their control activities, which could reveal facts, acts, events or omissions with regard to compliance with L.D. No. 231 dated 2001;
- news related to disciplinary procedures as well as any sanctions or the filing of such proceedings and the reasons therefor if they are linked to the commission of crimes, violations of rules of conduct, or procedures defined in the Model;
- commissioned investigations or internal reports/communications that demonstrate responsibility for the crimes defined in L.D. No. 231 dated 2001;
- organizational changes;
- updates to the powers and proxies system;
- particularly significant transactions carried out within Crime Risk Areas;
- changes in Crime Risk Areas or areas that could potentially be at risk;
- any notices or communications from the Board of Auditors regarding matters that may indicate deficiencies in the system of internal controls, any misconduct, or any comments on the Company’s financial statements;
- declaration that the information contained in Company notices and communications is truthful and complete;
- copies of the minutes from the Board of Directors and Board of Statutory Auditors meetings.

The Company shall adopt specific information channels (specially dedicated phone lines or mail boxes) established to ensure the confidentiality of the above and to facilitate the flow of reports and information to the SB.

The SB shall discreetly and responsibly assess the reports received. To this end, the SB may listen to the author of the report and/or the person responsible for the alleged violation, and then provide reason in writing for any independent decision to not proceed with the inquiry. In any case, those who issue reports in good faith must be protected from any form of retaliation or retribution and shall be assured maximum confidentiality, without prejudice to the Company’s legal obligations and the need to protect itself or persons accused wrongly or in bad faith.

### 4.7.2 The Supervisory Board’s Obligation to Report Information

Given that the responsibility to adopt and effectively implement the Model remains with the Company’s Board of Directors, the Supervisory Board is required to report on the implementation of the Model and the occurrence of any problems.

In particular, the Supervisory Board is responsible for providing the Board of Directors with the following information:
- at the beginning of each year, the SB shall provide a plan for the activities it intends to carry out in order to fulfill their assigned responsibilities, which must be approved by the Board of Directors;
- periodic updates on the program’s progress and any changes thereto;
- immediate notifications regarding any issues related to the SB’s activities, as necessary;
- biannual reports regarding the implementation of the Model.

In addition to the Board of Directors, the SB will be required to periodically report to the Board of Auditors.
The SB may be brought before these bodies to report on the functioning of the Model or on specific situations. Minutes must be kept for meetings when the SB reports to Company bodies. Copies of such reports shall be kept by the SB and occasionally by the relevant bodies.

Notwithstanding the foregoing, the Supervisory Board may also provide notifications or communications evaluating individual circumstances:

(I) the results of the SB’s investigations may be provided to managers of functions and/or processes that require improvements. Should this occur, the SB would require a plan of action and a timeline from the relevant managers for the implementation of improvements and their results;

(II) the SB must report any behaviors or actions not in line with the Model to the Board of Directors in order to do the following:

a) obtain all the elements required from the Board of Directors to notify the relevant structures or bodies of the evaluation and the application of any disciplinary sanctions;

b) provide directions for correcting or removing the deficiencies in order to prevent recurrence of the event.

The SB is obligated to immediately inform the Board of Auditors if the violation concerns the members of the Board of Directors.
5. System of Sanctions for noncompliance with this Model and the referenced policies and regulations

5.1 · General Principles

Carcano Antonio S.p.A. acknowledges and declares that preparing an adequate System of Sanctions for violation of the policies and regulations contained in the Model, including its Appendices and Procedures, is essential for ensuring the effectiveness of the Model itself.

In fact, Article 6, Section 2, Letter e) of the Decree states that organizational and management models must "introduce a disciplinary system for sanctioning any failure to respect the measures indicated in the model."

Disciplinary sanctions are applied regardless of if the outcome results in any criminal proceedings because the rules of conduct imposed by the Model and the Procedures are assumed by the Company in full autonomy and independently from the offenses defined in L.D. No. 231 dated 2001, regardless of whether or not the violations in questions pertain to those defined in the decree.

More precisely, failure to follow the regulations defined in the Model and Procedures may affect the relationship of trust with the Company and may lead to disciplinary actions regardless of whether a criminal trial or hearing is establishment in cases where a violation constitutes a crime. This shall also occur in compliance with the principles of timeliness and immediacy for disciplinary disputes and imposed sanctions, in accordance with current laws.

5.2 · Definition of "Violation" for the Purposes of the Sanctions System

The following is a general definition and description of a "Violation" as it pertains to the Model and related Company Procedures:

- actions or behaviors that do not comply with the regulations and provisions defined in the Model and related Company Procedures and which lead to a situation that could risk the commission of one of the offenses defined in L.D. No. 231 dated 2001;
- the omission of actions or practices prescribed or required by the Model and related Company Procedures and which leads to a situation that could risk the commission of one of the offenses defined in L.D. No. 231 dated 2001.

5.3 · Sanctions and Penalties for Employees

5.3.1 · Employees in Non-Management Positions

Any behavior exhibited by employees that is in violation of the regulations contained in the Model or the Company Procedures is defined as a punishable offense.
The types of sanctions and punishments applicable to offending employees fall under the provisions defined by the National Collective Bargaining Agreement (for brevity, hereinafter referred to as the “CCNL”), in accordance with the procedures defined in Article 7 of Law No. 300 dated 1970 (for brevity, hereinafter referred to as the “Workers’ Statute”) and any applicable special regulations.

In accordance with Section 5.2 above, Violations of this Model by employees, depending on the severity of the Violation, may result in the following actions, which have been established in accordance with the principles of proportionality, the criteria of correlation between punishment and infringement, and in compliance with the form and manner prescribed by current laws, policies and regulations.

The employee shall incur the punishment established by the CCNL, except when otherwise indicated by the Disciplinary System used by Carcano Antonio S.p.A.

The Disciplinary System is constantly monitored by the Supervisory Board and Organizational Development Managers.

5.3.2 • Managers

The most appropriate disciplinary measures shall be applied in the event of the following and in accordance with the Workers’ Statute and the CCNL:

(a) Violations committed by Managers in accordance with Section 5.2 above or (b) behaviors or conduct carried out by Managers in Crime Risk Areas that do not conform to the requirements established in the documents indicated above.

5.4 • Administrators and Directors

If any Carcano Antonio S.p.A. Administrators or Directors violate any of the regulations referenced in Section 5.2 above, the Supervisory Board shall immediately inform the Company’s Board of Directors and Statutory Auditors so that they may evaluate the situation and take appropriate action.

In the event that one or more Administrators or Directors are indicted, triggering administrative liability for the Company, Carcano Antonio S.p.A.’s Chairman of the Board of Directors (or another Board Member acting in their place) must proceed with calling a Shareholders’ Meeting to vote on terminating the appointment of the offending Administrator or Director.

5.5 • Statutory Auditors

In the event that one or more Statutory Auditors violate the regulations defined in Section 5.2, the Supervisory Board shall inform the Board of Directors and the Statutory Auditors, prompting a request by the Chairman of the Board of Directors to convene a Shareholder Meeting to vote on taking the appropriate measures.
5.6 • Third Parties: External Partners, Representatives and Consultants

In the event that one or more external partners, representatives or consultants violate the regulations defined in Section 5.2, the Company shall take one of the following actions, depending on the severity of the Violation: (I) call on the relevant parties to strictly comply with the provisions defined in Section 5.2; or (II), depending on the type of contract, the relationship may be terminated for cause or for breach of the aforementioned provisions.

To this end, Carcano Antonio S.p.A. has included the following specific clauses in Section 5.2: (a) Third Parties have been notified that Carcano Antonio S.p.A. has adopted the Model and Code of Ethics, which they declare to have read, pledge to abide by the contents thereof, commit to not engage in any conduct that could result in breach of the law or the Model, and agree not to commission any Predicate Offenses; (b) the Company has the right to terminate the relationship or contract (with or without the application of penalties) in case of noncompliance with the aforementioned obligations.

5.7 • Registry

The Company shall adopt a registry to record the names of all those who have committed Violations pursuant to Section 5.2. Those recorded in the registry shall be banned from new contractual relationships with the Company and its affiliates.