

ANTI-CORRUPTION CODE OF CONDUCT


Services involved:	<ul style="list-style-type: none"> All Recipients
Approved by	Board of Directors

Revision

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1. Introduction and scope


Italian Legislative Decree no. 231 of 8 June 2001 introduced in our framework a system of penalties that establishes administrative liability of entities for Crimes committed on their interest or to their advantage by Top Management or by Personnel under the supervision of others.

If, before the commission of the Crime, the Company can provide proof of having adopted and efficiently implemented an organisation, management and control model suitable to prevent the commission of such Crime, the Company is exempted from liability. These Models consist in rules and operational or technological measures (hereinafter Protocols) that the personnel must comply with, as they are aimed at preventing commission of Crimes, and a system of controls aimed at verifying the efficacy of the model, its adequacy to the company situation, its effectiveness, i.e. the actual compliance of the Personnel in charge of the Activities at risk of crime of the Protocols.

Rules of conduct that the Recipients must adopt towards public officials are an essential element, actually required by the law and jurisprudence to ensure the efficacy and effectiveness of organisation, management and control models, pursuant to Italian Legislative Decree 231/2001.

The purpose of this Code of Conduct is the definition of the rules of conduct that the Recipients must keep towards Board Members, Auditors, General Directors, Liquidators and Personnel in Charge of drawing up accounting or tax documents, or personnel from private companies in order to prevent any conduct suitable for committing crimes as set out in Legislative Decree 231/2001.

This Code of Conduct must be complied with by all Recipients.


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2. Definitions

In accordance with the definitions set out in the Model adopted by the Company pursuant to Legislative Decree 231/2001, in this document the terms listed below have the following meaning:

- **“Activities at risk of crime”**: the process, transaction, action or the set of transactions and actions that may expose the Company to the risk of penalties pursuant to the Decree regarding the commission of a Crime.
- **“CCNL”**: the National Collective Labour Agreement of the metalworking and system installation industry applicable to the Company employees.
- **“Code of Ethics”**: the document, officially commissioned and approved by the Company top management as implementation of corporate policy. It contains the general principles of conduct - i.e. recommendations, obligations and/or prohibitions - to which the Recipients must abide by and whose violation is sanctioned.
- **“Legislative Decree No. 231/2001”** hereinafter the **“Decree”**: the Legislative Decree no. 231 of 8 June 2001, establishing the *“Regulation on the administrative liability of legal entities, companies and associations with or without legal personality, pursuant to the article 11 of Italian Law 29 September 2000, no. 300”*, published on the Official Journal of the Italian Republic, no. 140 of 19 June 2001, as amended.
- **“Recipients”**: Corporate bodies (*Board of Directors and Board of Statutory Auditors*), Employees, Suppliers and all those operating in the interest or to the advantage of the Company, with or without representation and regardless of the nature and type of relationship existing with the principal Company. Recipients must comply with the Model, the Code of Ethics and preventive Protocols.
- **“Employees”**: all natural persons who have an employment contract with the Company.
- **“Guidelines”**: the Guidelines for building organisation, management and control models pursuant to Legislative Decree 231/2001, published by the trade Associations, which were considered for the purpose of preparing and adopting the Model.
- **“Organisation, management and control Model pursuant to Italian Legislative Decree 231/2001”** hereinafter the **“Model”**:
the organisational, management and control model considered by the Corporate Bodies appropriate

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for the prevention of Offences, therefore adopted by the Company pursuant to articles 6 and 7 of the Italian Legislative Decree for the purpose of preventing top management or subordinate personnel from committing such Offences, as stated in this document and its annexes.

- **“Corporate Bodies”**: the Board of Directors and/or the Company Board of Auditors, according to the context of reference.
- **“Supervisory Body”** hereinafter **“SB”**: the Body established by art. 6 of the Italian Legislative Decree, with the task of supervising the operation of and compliance with the company’s model, its management and control, as well as its update.
- **“Personnel”**: all the natural persons who have a work relationship with the Company, including employees, temporary workers, collaborators, *“interns”* and freelancers who were appointed by the Company.
- **“Top Management”**: those referred to in article 5, paragraph 1, letter a) of the Decree, i.e. people who represent the Company, administrators or managers; in particular, the members of the Board of Directors, the Chairman and any agents and proxies of the Company.
- **“Personnel under the supervision of others”**: persons referred to by article 5, paragraph 1, letter b) of the Decree, i.e. all the Personnel working under the management or supervision of Top Management.
- **“Public Administration”** hereinafter **“P.A.”**: Public Administration means:
 - the State (or State Administration);
 - Public Bodies; specifically, a Public Body is identified as such by the law or it is a Body subject to a system of public controls, to interference by the State or another Administration, for what concerns appointment and dismissal of its administrators, as well as the Body’s own Administration. It is characterised by the participation of the State or another Public Administration in expense management; or by the decisional power the State holds over its bodies; or by institutional public funding; or by public initiatives. By way of example and without any limitation, the following can be considered Public Administration Bodies: Ferrovie dello Stato, Autostrade S.p.A., AEM Milano, etc.
 - Public Official: one who performs “a public legislative, judicial or administrative function”. Under Criminal Law “an administrative function is public if controlled by the regulations of public law and authoritative acts and it is characterised by



the manifestation and expression of the will of the Public Administration or by its implementation using powers of authorisation or certification" (article 357 of the Criminal Code);

- Person in charge of Public Service: any person who "for whatever purpose performs a public service. Public service is defined as any activity that is governed in the same manner as a public function, yet in the absence of the power vested in the latter, and excluding the performance of simple ordinary tasks and exclusively material work." (Article 358, Italian Criminal Code). "For whatever purpose" is understood to be that an individual exercises a public function even without formal or regular appointment ("de facto" in charge of a public service). It does not actually cover the relationship between the P.A. and the individual who carries out the duty.
- **"Protocol"**: the organisational, physical and/or logical provision established by the Model with the aim to prevent the risk of committing Crimes.
- **"Crimes" or "Crime"**: the set of crimes, or the single crime, mentioned by Legislative Decree 231/ 2001 (as amended and supplemented in the future).
- **"Whistleblower"** hereinafter also **"WB"**: a person who witnesses to an illegal act or breach at the workplace and decides to report it. For private entities, this references *"persons with representation, administration or managerial functions of the entity or of one of its organisational units that is financially and functionally autonomous as well as people who exercise, even de facto, management and control of the entity"*, as well as *"persons subject to management or supervision by one of the subjects"* previously mentioned;
- **"Reported Person"**: the subject to whom the whistleblower attributes the commission of the illegal actions/irregularities reported;
- **"Report"**: communication made by the Whistleblower reporting *"detailed information of unlawful conduct, significant according to Legislative Decree 231/2001 and based on precise and consistent factual elements, or breaches of the organisational and management model of the entity, of which the reporting party acquired knowledge through their duties"*;
- **"Disciplinary System"**: the set of penalty measures applicable in case of breaches of procedural and conduct rules outlined by the Model;
- **"Company" or "Dulevo"**: Dulevo International S.p.A.

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3. Policy

The Company holds an uncompromising view on any form of abuse of office (passive bribery) and corruption also towards personnel of private businesses.

While performing the work activities, all Personnel is required to firmly oppose any form of abuse of office and corruption.

The Company and the Recipients commit to ensuring that all laws and regulations that aim at countering abuse of office and corruption, in all jurisdiction in which the Company operates, are complied with in their entirety.

The Company's "anti-corruption" policy, set out in this Code of Conduct, is the operational and practical expression of the values and principles already formalised in the Code of Ethics, from which Company draws inspiration and to which is voluntarily bound.

4. Application

All Recipients are required to operate in compliance with this Anti-corruption Code of Conduct whenever they act in the interest or to the advantage of the Company.

5. Rules and Principles of Conduct

Find below the standards of conduct that must be followed to ensure a "zero tolerance" approach towards abuse of office and corruption.

5.1. General rules of conduct

Any act of abuse of office (passive bribery) and of corruption is prohibited. The Recipients must not:



- directly or indirectly or through a third party offer money or other benefits to Board members, general managers, executives in charge of preparing the company's accounting reports, statutory auditors and liquidators or other management functions or to persons under the supervision of the above subjects, or client companies or suppliers, or of another entity, in order to obtain interest or advantage of any type, including obtaining or maintaining business/financial advantages on behalf of or for the Company;
- directly or indirectly request or accept money or other benefits from clients, suppliers or other subjects or receive advantage of any type in exchange.

Any conduct consisting of the following, as an example but not limited to, is also forbidden:

- offering, suggesting, authorising the offer or payment of money or other undue benefit to one or more Board members, directors, managers, employees or collaborators of a company or an entity with the purpose of inducing to commit or paying to commit an act in breach of their duties or for violating their loyalty obligations towards the company or entity;
- accepting or soliciting payment of money or other benefits in favour of one or more board members, directors, managers, employees or collaborators of the Company, of a third party company or an entity with the aim to induce them to commit or paying them for committing an act in breach of their duties or for violating their loyalty obligations towards the respective companies or entities;
- using funds known or suspected to originate from a Crime;
- assisting or participating in the commission of any activity that constitutes a Crime;
- consciously establishing or defining or maintaining processes or procedures or schemes with the intent of making illegal payments;
- carrying out any activity with consumers, clients, suppliers, commercial partners and other third parties that might constitute a Crime.

As an example, the following activities are considered Corruption:

- pledging money or other benefits in order to obtain a job opportunity;
- payment of money or other benefit to an employee of a legal person in order to obtain confidential information; and
- accepting disproportionate gifts from a service provider.

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It is forbidden to circumvent the above provisions by resorting to different forms of help and contributions, which, as examples, under the guise of sponsorships, appointments, consultancies, advertising also in favour of third party companies or entities, pursue the same forbidden purposes listed above.

Each Recipient that requests, demands or receives for themselves or for third parties, undue money or other benefits, or accept the promise thereof to commit or to omit an act that violates their duties or the obligation of loyalty to the Company (passive bribery), shall be exposed to the same penalties as those who take the initiative to carry out active bribery. Breaches of one's obligations of loyalty towards the employing or the customer company and acts of corruption - also towards private parties - may expose one to personal criminal liability and to liability on the part of the Company pursuant to Legislative Decree 231/2001.

If Recipients of the Model are exposed to an activity that leads to committing an act in breach of the obligations related to their duties or to their loyalty obligations, they must renounce it.

5.2. *Entertainment Expenses*

Entertainment expenses must have an appropriate commercial objective, must be pertinent to some forms of work activities and must be managed by corporate departments.

Organisation of an Event does not fall into the definition of entertainment expense, which must be managed and recorded as part of the internal expenses processes (with the exception of lunches at the end or completion of an activity that may be considered as social events, see below).

5.3. *Gifts, Entertainment and Events*

Recipients (or anyone on their behalf) must not:


- give or receive gifts or offer or accept to participate in entertainment, events or other forms of hospitality that might:

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- constitute grounds for influence or for improper incentive, including, for example, the expectation of receiving a business advantage or being thanked for an advantage already obtained, or that may be perceived as such;
- consist of gifts and/or participations to events for friends or relatives of the Recipients;
- violating laws and regulations or Company procedures. All the regulation principles included in the Company procedures must be complied with (see especially the Company's preventive procedures and protocols regarding the relationship between the P.A., gifts or other donations, sponsorships, loans for use).

The following principles must be respected when offering or receiving gifts or organising/accepting to attend work-related entertainment and events:

- the underlying reason for the gift, the work-related entertainment or the event, must be closely related to the business (i.e. development of the commercial relationship or promotion of Company products and services);
- they must be modest and of reasonable value, appropriate in all circumstances and such as not to compromise the integrity and reputation of the Company. There is no minimum amount below which gifts or other benefits are allowed. In all cases, gifts must be of symbolic or not relevant value to ensure that they are not considered to be made with the aim to exercise pressure or improper influence. In this context, the timing of the gift, the fact that it was made in transparent manner and the chosen recipient are important elements in this context.
- They must be consistent with the context of the business occasion and in agreement with the Company's usual practices Therefore, they must not be opulent or extravagant as to give the impression that they are intended to force someone's decision in exchange for the gifts;
- they must be transparent and openly discussed. This means that whenever they are communicated to media companies, they must not embarrass the recipient or the Company;
- the timing of the gifts must be scheduled appropriately. So they must not coincide with participating in a commercial offer, the process

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of acquisition of a potential business, or occur during the process of decisions making regarding new businesses/transactions, and

- they must be consistent with all the requirements of this document and all the necessary internal authorisations must be obtained (see below).

To prevent doubts, giving/receiving gifts and the organisation of/participation in entertainment and events are prohibited either with direct (in the first person) or indirect participation (through third parties), unless with express authorisation of the Chairman of the Board of Directors or of the General Manager.

Under no circumstances, Gifts and Events must be offered to board members, general managers, managers in charge of preparing the company's accounting reports, statutory auditors and liquidators or other management functions or to persons under the supervision of the above subjects, without prior approval from the CEO or General Manager, unless the gifts are of modest value or are established by business practice (for example, Christmas presents).


5.4. *Use of Third Parties*

Recipients must pay attention when selecting and/or operating with third parties (agents/agencies, brokers, dealers etc.). In fact, the Company can be held responsible for any acts of abuse of office and corruption committed by third parties.

Use of third parties must be carefully assessed to ensure consistency with the following principles:

- the nature of the transaction and the activities that are the subject of the relations with third parties must be consistent and compliant with applicable laws or regulations, in agreement with local practices; and
- conditions of use of the third parties (in particular the allocation and means of payment) are clearly defined and ratified in the written agreements that comply with the 231 and anti-corruption clauses;
- the payment proposal must be consistent with the services being provided, both in absolute terms and in relation to the value of the business at hand.

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The Company prohibits all Recipients or third party to give, promise to give, offer money or other benefits to board members, general managers, managers in charge of preparing the company's accounting reports, statutory auditors and liquidators or other management functions or to persons under the supervision of the above subjects, in the interest or to the advantage of the Company.

No Recipients must give or promise money or other benefits to a third party, knowing that part or the entire value shall be transferred to one of the above subjects in violation of this procedure. The Recipients must make sure that evidential documents are recorded and saved (i.e., contracts, *service agreements*, financial reports, invoices, etc.) so they can be used to justify payments towards third parties.

The staff in charge of purchases or other specific tasks must include in all contracts with third parties the 231 contract clauses and the anti-corruption clause contained in the 231 Protocol.

5.5. *Charitable donations and Sponsorships*

Charitable donations and Sponsorships to associations and other no-profit organisations are permitted according to the preventive protocols adopted by the Company.

However, Charitable Donations and Sponsorships might be configured as acts leading to corruption, if they are granted inappropriately and without complying with the limits established by the procedures. These types of Charitable Donations and Sponsorships are prohibited. The Company makes only legal and ethical Charitable Donations and Sponsorships.

5.6. *Funding of political parties*

The Company maintains a neutral political position and refuses any funding to political parties with anything of value, even if such action is authorised by the local jurisdiction. The Company and the Personnel are not authorised to make political donations.

6. Roles and Responsibilities

The Corporate Bodies and the Company Personnel must be knowledgeable of and comply with this Code of Conduct and with any procedures in line with the provisions contained therein. Prevention, identification and information relative to any abuse of office and other forms of corruption are the responsibility of anyone (employees or other recipients) working in the interest or on behalf of the Company.

All Recipients must avoid any activity that might suggest or lead to violating this Code of Conduct.

The Recipients who refuse to accept or propose a corrupt agreement, or those that raise concerns or report an illegal action by another employee shall not have to fear retaliations. To that end, the Company guarantees that no forms of retaliation towards anyone who has refused to act or behave in violation of this Code of Conduct shall be enacted.

The Company encourages transparency and shall provide adequate support to anyone raising doubts, in good faith, about any breach of this Code of Conduct, also through the support provided by the Company's Supervisory Body.

7. Information and awareness

The HR function must:

- ensure distribution of this Code of Conduct to all Recipients;
- set up a mandatory training activity for all Employees regarding the principles of this Code of Conduct and featured in the organisation, management and control Model.

Wherever possible, in its relationship with third parties, the Company includes specific contract clauses informing about the policies and procedures adopted, as well as

the consequences that conduct contrary to these principles may have on the contracts.

8. Reports

The Recipients must report all breaches of this Code of Conduct to the Supervisory Body, which is responsible for protecting the confidentiality of the identity of the Whistleblower.

The Company has implemented the obligations provided for by the legislation on the reporting of illicit acts (set forth by Legislative Decree 231/2001) and violations of the Model (Whistleblowing) through the adoption of a specific procedure, the Whistleblowing Procedure, which is an integral part of the Company's Model 231.

The Recipients must communicate to their Manager and to the Supervisory Body if they believe they proposed a corrupt agreement, or they were asked to do that, or if they suspect that it might happen in the future.